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A. 3009--B

# SENATE-ASSEMBLY

January 21, 2015

- IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -- committee discharged, bill amended, ordered reprinted as amended, ordered reprinted as amended, ordered reprinted as amended and recommittee to said committee -- committee discharged, bill amended, ordered reprinted as amended and recommittee to said committee -- committee committee --- comm
- IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee -again reported from said committee with amendments, ordered reprinted as amended and recommittee
- AN ACT intentionally omitted (Part A); to amend the state finance law. the tax law and the administrative code of the city of New York, in relation to the New York city personal income tax rates (Part B); intentionally omitted (Part C); intentionally omitted (Part D); to amend the real property tax law, in relation to establishing a stateadministered recoupment provision to the STAR exemption program (Part E); to amend the state finance law, in relation to making technical corrections to the school tax relief fund; and to provide one-time relief to STAR registrants who failed to file timely STAR exemption (Part F); intentionally omitted (Part G); to amend the applications tax law and the administrative code of the city of New York, in relation to extending the limitation on charitable contribution deductions for certain taxpayers (Part H); to amend the tax law, the administrative code of the city of New York and the labor law, in relation to making certain technical corrections (Part I); to amend the tax law, in relation to a report regarding the empire state commercial production tax credit; and to repeal section 9 of part V of chapter 62 of the laws of 2006, amending the tax law relating to the empire state commercial production tax credit, relating thereto (Part J); to amend the economic development law, in relation to the eligibility of entertainment companies for the excelsior jobs program (Part intentionally omitted (Part L); intentionally omitted (Part M); K); intentionally omitted (Part N); to amend the economic development law and the tax law, in relation to establishing a tax credit for employ-

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets
[] is old law to be omitted.

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ers who procure skills training for employees necessary to cultivate a talented workforce (Part 0); to amend the tax law, in relation to the metropolitan transportation business tax surcharge on utility services and excise tax on sale of telecommunication services, and the excise tax on telecommunication services imposed by article 9 of such law (Part P); intentionally omitted (Part Q); intentionally omitted (Part R); to amend the business corporation law, the limited liability company law, the partnership law and the tax law, in relation to the biennial statements filed with the secretary of state (Part S); to the tax law, in relation to making corrections to the corporate amend tax reform provisions; and to repeal certain provisions of such law relating thereto (Part T); to amend the tax law, in relation to exempting certain items of tangible personal property furnished to customers by certain cider producers, breweries, and distilleries at tastings (Part U); to amend the tax law, in relation to the imposition of the sales and compensating use tax on prepaid mobile calling services (Part V); intentionally omitted (Part W); intentionally omitted (Part X); intentionally omitted (Part Y); to amend the tax law, in relation to exempting electricity provided by certain sources from the sales tax imposed by article 28 of the tax law and omitting such exemption from the taxes imposed pursuant to the authority of article of the tax law, unless a locality elects otherwise; and to repeal 29 subdivisions (n) and (p) of section 1210 of such law relating to tax exemptions imposed by resolution in cities having a population of one million or more persons (Part Z); to amend the tax law, in relation to allowing a reimbursement of the petroleum business tax for highway diesel motor fuel used in farm production (Part AA); to amend the tax law, in relation to calculating the estate tax imposed under the tax rate table, clarifying the phase out date for certain gift add backs and disallowing deductions relating to intangible personal property for estates of non-resident decedents (Part BB); intentionally omitted (Part CC); to amend part Q of chapter 59 of the laws of 2013 amending the tax law relating to serving an income execution with respect to individual tax debtors without filing a warrant, in relation to extending the effectiveness thereof (Part DD); intentionally omitted EE); intentionally omitted (Part FF); intentionally omitted (Part (Part GG); intentionally omitted (Part HH); intentionally omitted II); intentionally omitted (Part JJ); intentionally omitted (Part (Part KK); intentionally omitted (Part LL); to amend the tax law, in relation to capital awards to vendor tracks (Part MM); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast out-of-state thoroughbred races, simulcasting of races run by outof of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and chapter 346 laws of 1990 amending the racing, pari-mutuel wagering and of the breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provisions thereof; and to amend the racing, pari-mutuel wagering and breeding law, in relation to extending certain provisions thereof (Part NN); to amend the tax law and the penal law, in relation to video lottery gaming (Part OO); to amend the racing, pari-mutuel wagering and breeding law, in relation to a franchised corporation (Part PP); intentionally omitted (Part QQ); to amend the tax law, in relation to the credit for certain alternative fuel vehicle refueling property and

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electric vehicle recharging property (Part RR); to amend the tax law, in relation to sales and compensating use taxes imposed with respect to vessels by article 28 of the tax law and pursuant to the authority of article 29 of such law (Part SS); to amend the tax law, in relation sales and compensating use taxes imposed with respect to certain to aircraft by article 28 and pursuant to the authority of article 29 of such law (Part TT); to amend the tax law, in relation to exempting from sales and use taxes certain tangible personal property or services (Part UU); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part VV); to amend the tax law, in relation to vendor fees paid to vendor tracks (Part WW); to amend the racing, pari-mutuel wagering and breeding law, in relation to account wagering; and providing for the repeal of certain provisions upon expiration thereof (Part XX); to amend the tax law, in relation to the exemption of libraries from the imposition of the metropolitan commuter transportation mobility tax (Part YY); and to amend part CC of a chapter of the laws of 2015 amending the vehicle and traffic law relating to directing the city of Buffalo to adjudicate traffic infractions, as proposed in legislative bill numbers S.2008-B and A.3008-B, in relation to the effectiveness thereof (Part ZZ)

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 Section 1. This act enacts into law major components of legislation 2 which are necessary to implement the state fiscal plan for the 2015-2016 3 state fiscal year. Each component is wholly contained within a Part 4 identified as Parts A through ZZ. The effective date for each particular 5 provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, includб 7 ing the effective date of the Part, which makes a reference to a section 8 "of this act", when used in connection with that particular component, 9 shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth 10 the general effective date of this act. 11

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## PART A

## Intentionally Omitted

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#### PART B

15 Section 1. Subdivision 1 of section 54-f of the state finance law, as 16 amended by section 1 of part EE of chapter 57 of the laws of 2010, is 17 amended to read as follows:

18 1. Except as otherwise provided by law, the provisions of this section 19 shall be utilized by the state to calculate the annual amount due to be 20 paid to the city of New York by the state to reimburse such city for tax 21 receipts foregone (a) as a result of [a] chapter THREE HUNDRED EIGHTY-NINE of the laws of nineteen hundred ninety-seven [that reduced 22 23 the rates of tax imposed pursuant to authority granted under section thirteen hundred one of the tax law and that created a new "state school 24 25 tax reduction credit" against liabilities imposed pursuant to the

authority granted the city by such section and other statutes authoriz-1 2 ing the imposition of a personal income tax on the residents of such city], and (b) as a result of the tax rate adjustments made by [a] chap-3 4 ter FIFTY-SEVEN of the laws of two thousand ten AND BY A CHAPTER OF THE LAWS OF TWO THOUSAND FIFTEEN, which amended this subdivision. S 2. Paragraphs 1, 2 and 3 of subsection (a) of section 1304 of the 5 б tax law, as amended by section 2 of part EE of chapter 57 of the laws of 7 8 2010, are amended to read as follows: (1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on 9 10 the city taxable income of every city resident married individual who 11 makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article and on the city 12 13 taxable income of every city resident surviving spouse shall be deter-14 mined in accordance with the following tables: 15 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN: 16 

 16
 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN:

 17
 IF THE CITY TAXABLE INCOME IS:
 THE TAX IS:

 18
 NOT OVER \$21,600
 2.55% OF THE CITY TAXABLE I

 19
 OVER \$21,600 BUT NOT
 \$551 PLUS 3.1% OF EXCESS

 20
 OVER \$45,000
 OVER \$21,600

 21
 OVER \$45,000 BUT NOT
 \$1,276 PLUS 3.15% OF EXCESS

 22
 OVER \$90,000
 OVER \$45,000

 23
 OVER \$90,000 BUT NOT
 \$2,694 PLUS 3.2% OF EXCESS

 24
 OVER \$500,000
 OVER \$90,000

 25
 OVER \$500,000
 \$16,803 PLUS 3.4% OF EXCESS

 26
 OVER \$500,000

 2.55% OF THE CITY TAXABLE INCOME \$1,276 PLUS 3.15% OF EXCESS \$16,803 PLUS 3.4% OF EXCESS 26 OVER \$500,000 27 (B) For taxable years beginning after two thousand nine AND BEFORE TWO THOUSAND FIFTEEN. If the city taxable income is: Not over \$21,600 Over \$21,600 but not 28 THOUSAND FIFTEEN: 29 The tax is: 30 Not over \$21,600 2.55% of the city taxable income \$551 plus 3.1% of excess 31 32 over \$45,000 over \$21,600 33 Over \$45,000 but not \$1,276 plus 3.15% of excess over \$45,000 \$2,694 plus 3.2% of excess 36 over \$500,000 over \$90,000 Over \$500,000 \$15,814 plus 3.4% of excess 37 38 over \$500,000 39 [(B) For taxable years beginning in two thousand one and two thousand 40 two and for taxable years beginning after two thousand five and before two thousand ten: 41 

 42
 If the city taxable income is:
 The tax is:

 43
 Not over \$21,600
 2.55% of the city taxable in

 44
 Over \$21,600 but not
 \$551 plus 3.1% of excess

 45
 over \$45,000
 over \$21,600

 46
 Over \$45,000 but not
 \$1,276 plus 3.15% of excess

 47
 over \$90,000
 over \$45,000

 48
 Over \$90,000
 \$2,694 plus 3.2% of excess

 49
 over \$90,000
 \$000

 2.55% of the city taxable income over \$90,000] 49

(2) Resident heads of households. The tax under this section for each 1 taxable year on the city taxable income of every city resident head of a 2 household shall be determined in accordance with the following tables: 3 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN: 4 IF THE CITY TAXABLE INCOME IS: 5 THE TAX IS: 

 6
 NOT OVER \$14,400
 2.55% OF THE CITY TAXABLE

 7
 OVER \$14,400 BUT NOT
 \$367 PLUS 3.1% OF EXCESS

 8
 OVER \$30,000
 OVER \$14,400

 9
 OVER \$30,000 BUT NOT
 \$851 PLUS 3.15% OF EXCESS

 10
 OVER \$60,000
 OVER \$30,000

 11
 OVER \$60,000 BUT NOT
 \$1,796 PLUS 3.2% OF EXCESS

 12
 OVER \$500,000
 OVER \$60,000

 13
 OVER \$500,000
 \$16,869 PLUS 3.4% OF EXCESS

 14
 OVER \$60,000

 2.55% OF THE CITY TAXABLE INCOME \$1,796 PLUS 3.2% OF EXCESS \$16,869 PLUS 3.4% OF EXCESS OVER \$500,000 14 (B) For taxable years beginning after two thousand nine AND BEFORE TWO 15 THOUSAND FIFTEEN: 16 17 If the city taxable income is: The tax is: 

 18
 Not over \$14,400
 2.55% of the city taxable

 19
 Over \$14,400 but not
 \$367 plus 3.1% of excess

 20
 over \$30,000
 over \$14,400

 21
 Over \$30,000 but not
 \$851 plus 3.15% of excess

 22
 over \$60,000
 over \$30,000

 23
 Over \$60,000 but not
 \$1,796 plus 3.2% of excess

 24
 over \$500,000
 over \$60,000

 25
 Over \$500,000
 \$15,876 plus 3.4% of excess

 26
 Over \$500,000
 \$15,876 plus 3.4% of excess

 18 Not over \$14,400 2.55% of the city taxable income \$1,796 plus 3.2% of excess \$15,876 plus 3.4% of excess Over \$500,000 26 27 [(B) For taxable years beginning in two thousand one and two thousand 28 two and for taxable years beginning after two thousand five and before 29 two thousand ten: 

 30
 If the city taxable income is:
 The tax is:

 31
 Not over \$14,400
 2.55% of the city taxable

 32
 Over \$14,400 but not
 \$367 plus 3.1% of excess

 33
 over \$30,000
 over \$14,400

 34
 Over \$30,000 but not
 \$851 plus 3.15% of excess

 35
 over \$60,000
 over \$30,000

 2.55% of the city taxable income 35 over \$60,000 over \$30,000 Over \$60,000 \$1,796 plus 3.2% of excess 36 over \$60,000] 37 (3) Resident unmarried individuals, resident married individuals 38 39 filing separate returns and resident estates and trusts. The tax under

this section for each taxable year on the city taxable income of every tity resident individual who is not a city resident married individual who makes a single return jointly with his or her spouse under subsection (b) of section thirteen hundred six of this article or a city resident head of household or a city resident surviving spouse, and on the city taxable income of every city resident estate and trust shall be determined in accordance with the following tables:

47 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN:

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(B) For-IF THE CITY TAXABLE INCOME IS: THE TAX IS: 1 2 2.55% OF THE CITY TAXABLE INCOME 3 \$306 PLUS 3.1% OF EXCESS OVER \$12,000 4 5 \$709 PLUS 3.15% OF EXCESS 6 OVER \$25,000 7 \$1,497 PLUS 3.2% OF EXCESS 8 OVER \$500,000 OVER \$50,000 \$16,891 PLUS 3.4% 9 OVER \$500,000 10 OF EXCESS OVER \$500,000 (B) For taxable years beginning after two thousand nine AND BEFORE TWO 11 12 THOUSAND FIFTEEN: 

 13
 If the city taxable income is:
 The tax is:

 14
 Not over \$12,000
 2.55% of the city taxable

 15
 Over \$12,000 but not
 \$306 plus 3.1% of excess

 16
 over \$25,000
 over \$12,000

 17
 Over \$25,000 but not
 \$709 plus 3.15% of excess

 18
 over \$50,000
 over \$25,000

 2.55% of the city taxable income 

 19
 Over \$50,000 but not
 \$1,497 plus 3.2% of excess

 20
 over \$500,000
 over \$50,000

 21
 Over \$500,000
 \$15,897 plus 3.4%

 21 Over \$500,000 \$15,897 plus 3.4% 22 of excess over \$500,000 [(B) For taxable years beginning in two thousand one and two thousand 23 24 two and for taxable years beginning after two thousand five and before two thousand ten: 25 

 26
 If the city taxable income is:
 The tax is:

 27
 Not over \$12,000
 2.55% of the city taxable income

 28
 Over \$12,000 but not
 \$306 plus 3.1% of excess

 29
 over \$25,000
 over \$12,000

 30
 Over \$25,000 but not
 \$709 plus 3.15% of excess

 31
 over \$50,000
 over \$25,000

 31 over \$50,000 over \$25,000 32 Over \$50,000 \$1,497 plus 3.2% of excess 33 over \$50,000] 3. Paragraphs 1, 2 and 3 of subdivision (a) of section 11-1701 of 34 S 35 the administrative code of the city of New York, as amended by section 3 of part EE of chapter 57 of the laws of 2010, are amended to read as 36 37 follows: (1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on 38 39 40 the city taxable income of every city resident married individual who makes a single return jointly with his or her spouse under subdivision 41 42 (b) of section 11-1751 of this chapter and on the city taxable income of every city resident surviving spouse shall be determined in accordance 43 44 with the following tables: 45 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN: 

 46
 IF THE CITY TAXABLE INCOME IS:
 THE TAX IS:

 47
 NOT OVER \$21,600
 2.55% OF THE CITY TAXABLE INCOME

 48
 OVER \$21,600 BUT NOT
 \$551 PLUS 3.1% OF EXCESS

 49
 OVER \$45,000
 OVER \$21,600

 50
 OVER \$45,000 BUT NOT
 \$1,276 PLUS 3.15% OF EXCESS

 51
 OVER \$90.000
 OVER \$45,000

OVER \$90,000 BUT NOT \$2,694 PLUS 3.2% OF EXCESS 1 OVER \$500,000 2 OVER \$90,000 3 OVER \$500,000 \$16,803 PLUS 3.4% OF EXCESS 4 OVER \$500,000 (B) For taxable years beginning after two thousand nine AND BEFORE TWO 5 6 THOUSAND FIFTEEN: The tax is. 2.55% of the city taxable \$551 plus 3.1% of excess over \$21,600 If the city taxable income is: 7 Not over \$21,600 2.55% of the city taxable income 8 Over \$21,600 but not 9 10 over \$45,000 11 Over \$45,000 but not \$1,276 plus 3.15% of excess 12 over \$90,000 over \$45,000 13 Over \$90,000 but not \$2,694 plus 3.2% of excess 14 over \$500,000 over \$90,000 \$15,814 plus 3.4% of excess 15 Over \$500,000 over \$500,000 16 17 [(B) For taxable years beginning in two thousand one and two thousand 18 two and for taxable years beginning after two thousand five and before 19 two thousand ten: 20 21 Not over \$21,600 2.55% of the city taxable income 22 Over \$21,600 but not 23 over \$45,000 \$1,276 plus 3.15% of excess 24 Over \$45,000 but not 25 over \$90,000 over \$45,000 26 Over \$90,000 \$2,694 plus 3.2% of excess 27 over \$90,000] 28 (2) Resident heads of households. The tax under this section for each 29 taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following tables: 30 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN: 31 IF THE CITY TAXABLE INCOME IS: NOT OVER \$14,400 OVER \$14,400 BUT NOT 32 THE TAX IS: 33 NOT OVER \$14,400 2.55% OF THE CITY TAXABLE INCOME 34 OVER \$14,400 BUT NOT \$367 PLUS 3.1% OF EXCESS 35 OVER \$30,000 OVER \$14,400 \$851 PLUS 3.15% OF EXCESS 36 OVER \$30,000 BUT NOT 37 OVER \$60,000 OVER \$30,000 38 OVER \$60,000 BUT NOT \$1,796 PLUS 3.2% OF EXCESS 39 OVER \$500,000 OVER \$60,000 40 OVER \$500,000 \$16,869 PLUS 3.4% OF EXCESS 41 OVER \$500,000 42 (B) For taxable years beginning after two thousand nine AND BEFORE TWO THOUSAND FIFTEEN: 43 If the city taxable income is: The tax is: 44 

 45
 Not over \$14,400
 2.55% of the city taxable

 46
 Over \$14,400 but not
 \$367 plus 3.1% of excess

 47
 over \$30,000
 over \$14,400

 48
 Over \$30,000 but not
 \$851 plus 3.15% of excess

 49
 over \$60,000
 over \$30,000

 50
 Over \$60,000 but not
 \$1,796 plus 3.2% of excess

 45 Not over \$14,400 2.55% of the city taxable income \$1,796 plus 3.2% of excess

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1 over \$500,000 2 Over \$500,000 3 [(B) For taxable years beginning in two thousand one and two thousand 4 [(B) For taxable years beginning in two thousand one and two thousand

5 two and for taxable years beginning after two thousand five and before 6 two thousand ten:

7	If the city taxable income is:	The tax is:
8	Not over \$14,400	2.55% of the city taxable income
9	Over \$14,400 but not	\$367 plus 3.1% of excess
10	over \$30,000	over \$14,400
11	Over \$30,000 but not	\$851 plus 3.15% of excess
12	over \$60,000	over \$30,000
13	Over \$60,000	\$1,796
14		plus 3.2% of excess
15		over \$60,000]

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under 16 17 18 this section for each taxable year on the city taxable income of every city resident individual who is not a married individual who makes a 19 single return jointly with his or her spouse under subdivision (b) of section 11-1751 of this chapter or a city resident head of a household 20 21 22 a city resident surviving spouse, and on the city taxable income of or every city resident estate and trust shall be determined in accordance 23 24 with the following tables:

25 (A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FOURTEEN:

26	IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
27	NOT OVER \$12,000	2.55% OF THE CITY TAXABLE INCOME
28	OVER \$12,000 BUT NOT	\$306 PLUS 3.1% OF EXCESS
29	OVER \$25,000	OVER \$12,000
30	OVER \$25,000 BUT NOT	\$709 PLUS 3.15% OF EXCESS
31	OVER \$50,000	OVER \$25,000
32	OVER \$50,000 BUT NOT	\$1,497 PLUS 3.2% OF EXCESS
33	OVER \$500,000	OVER \$50,000
34	OVER \$500,000	\$16,891 PLUS 3.4% OF EXCESS
35		OVER \$500,000

36 (B) For taxable years beginning after two thousand nine AND BEFORE TWO 37 THOUSAND FIFTEEN:

If the city taxable income is:	The tax is:
Not over \$12,000	2.55% of the city taxable income
Over \$12,000 but not	\$306 plus 3.1% of excess
over \$25,000	over \$12,000
Over \$25,000 but not	\$709 plus 3.15% of excess
over \$50,000	over \$25,000
Over \$50,000 but not	\$1,497 plus 3.2% of excess
over \$500,000	over \$50,000
Over \$500,000	\$15,897 plus 3.4% of excess
	over \$500,000
	If the city taxable income is: Not over \$12,000 Over \$12,000 but not over \$25,000 Over \$25,000 but not over \$50,000 Over \$50,000 Over \$500,000 Over \$500,000

1 [(B) For taxable years beginning in two thousand one and two thousand 2 two and for taxable years beginning after two thousand five and before 3 two thousand ten:

4	If the city taxable income is:	The tax is:
5	Not over \$12,000	2.55% of the city taxable income
6	Over \$12,000 but not	\$306 plus 3.1% of excess
7	over \$25,000	over \$12,000
8	Over \$25,000 but not	\$709 plus 3.15% of excess
9	over \$50,000	over \$25,000
10	Over \$50,000	\$1,497 plus 3.2% of excess
11		over \$50,000]

12 4. Notwithstanding any provision of law to the contrary, the method S 13 of determining the amount to be deducted and withheld from wages on 14 account of taxes imposed by or pursuant to the authority of article 30 15 of the tax law in connection with the implementation of the provisions this act shall be prescribed by regulations of the commissioner of 16 of 17 taxation and finance with due consideration to the effect such withhold-18 ing tables and methods would have on the receipt and amount of revenue. The commissioner of taxation and finance shall adjust such withholding 19 20 tables and methods in regard to taxable years beginning in 2015 and 21 after in such manner as to result, so far as practicable, in withholding 22 from an employee's wages an amount substantially equivalent to the tax 23 reasonably estimated to be due for such taxable years as a result of the 24 provisions of this act. Provided, however, for tax year 2015 the with-25 holding tables shall reflect as accurately as practicable the full amount of tax year 2015 liability so that such amount is withheld by 26 27 December 31, 2015. Any such regulations to implement a change in withholding tables and methods for tax year 2015 shall be adopted and effec-28 29 tive as soon as practicable and the commissioner may adopt such regulations on an emergency basis notwithstanding anything to the contrary 30 31 in section 202 of the state administrative procedure act. In carrying his or her duties and responsibilities under this section, the 32 out 33 commissioner of taxation and finance may accompany such a rule making procedure with a similar procedure with respect to the taxes required to 34 35 deducted and withheld by local laws imposing taxes pursuant to the be 36 authority of articles 30, 30-A and 30-B of the tax law, the provisions 37 any other law in relation to such a procedure to the contrary of 38 notwithstanding.

39 S 5. 1. Notwithstanding any provision of law to the contrary, no addition to tax shall be imposed for failure to pay the estimated tax in 40 subsection (c) of section 685 of the tax law and subdivision (c) of 41 42 section 11-1785 of the administrative code of the city of New York with 43 respect to any underpayment of a required installment due prior to, or 44 within thirty days of, the effective date of this act to the extent that such underpayment was created or increased by the amendments made by 45 46 act, provided, however, that the taxpayer remits the amount of any this 47 underpayment prior to or with his or her next quarterly estimated tax 48 payment.

2. The commissioner of taxation and finance shall take steps to publicize the necessary adjustments to estimated tax and, to the extent reasonably possible, to inform the taxpayer of the tax liability changes made by this act.

53 S 6. This act shall take effect immediately.

## Intentionally Omitted

### PART D

# Intentionally Omitted

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### PART E

5 Section 1. Section 425 of the real property tax law is amended by 6 adding a new subdivision 15 to read as follows:

7 15. RECOUPMENT OF EXEMPTIONS BY COMMISSIONER. (A) GENERALLY. IF THE COMMISSIONER SHOULD DETERMINE, BASED UPON DATA COLLECTED UNDER THE STAR 8 REGISTRATION PROGRAM, THAT PROPERTY IMPROPERLY RECEIVED THE BASIC STAR 9 EXEMPTION ON ONE OR MORE OF THE THREE PRECEDING ASSESSMENT ROLLS, THE 10 COMMISSIONER SHALL TREAT THE EXEMPTION AS AN IMPROPERLY GRANTED 11 EXEMPTION AND PROCEED IN THE MANNER PROVIDED BY THIS SUBDIVISION; PROVIDED THAT FINAL ASSESSMENT ROLLS THAT WERE FILED PRIOR TO APRIL 12 13 FIRST, TWO THOUSAND ELEVEN SHALL NOT BE SUBJECT TO THE PROVISIONS OF 14 15 THIS SUBDIVISION.

(B) PROCEDURE. THE TAX SAVINGS ATTRIBUTABLE TO EACH SUCH IMPROPERLY 16 17 GRANTED EXEMPTION SHALL BE COLLECTED FROM THE OWNERS WHOSE PROPERTY IMPROPERLY RECEIVED THE EXEMPTION FOR THE APPLICABLE YEAR, TOGETHER WITH 18 INTEREST AS SPECIFIED IN THIS SUBDIVISION, BY UTILIZING ANY OF 19 THE PROCEDURES FOR COLLECTION, LEVY, AND LIEN OF PERSONAL INCOME TAX SET 20 21 FORTH IN ARTICLE TWENTY-TWO OF THE TAX LAW, ANY OTHER RELEVANT PROCE-22 DURES REFERENCED WITHIN THE PROVISIONS OF THAT ARTICLE, AND ANY OTHER LAW AS MAY BE APPLICABLE, SO FAR AS PRACTICABLE WHEN RECOUPING THE EXEMPTION AMOUNT PURSUANT TO THIS SUBDIVISION, EXCEPT THAT: 23 24

25 (I) PRIOR TO DIRECTING THAT AN IMPROPERLY GRANTED EXEMPTION BE RECOUPED PURSUANT TO THIS SUBDIVISION, THE COMMISSIONER SHALL PROVIDE 26 THE OWNERS WITH NOTICE AND AN OPPORTUNITY TO SHOW THE COMMISSIONER THAT 27 THE EXEMPTION WAS PROPERLY GRANTED. IF THE OWNERS FAIL TO RESPOND TO 28 29 SUCH NOTICE WITHIN FORTY-FIVE DAYS FROM THE MAILING THEREOF, OR IF THEIR RESPONSE DOES NOT SHOW TO THE COMMISSIONER'S SATISFACTION THAT THE 30 ELIGIBILITY REQUIREMENTS WERE IN FACT SATISFIED, THE COMMISSIONER SHALL 31 PROCEED WITH THE RECOUPMENT OF THE IMPROPERLY GRANTED EXEMPTION IN 32 ACCORDANCE WITH THE PROVISIONS OF THIS SUBDIVISION; AND 33

34 (II) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (B) OF SUBDIVISION SIX OF THIS SECTION, NEITHER AN ASSESSOR NOR A BOARD OF ASSESSMENT 35 36 REVIEW HAS THE AUTHORITY TO CONSIDER AN OBJECTION TO THE RECOUPMENT OF 37 AN EXEMPTION PURSUANT TO THIS SUBDIVISION, NOR MAY SUCH AN ACTION BE REVIEWED IN A PROCEEDING TO REVIEW AN ASSESSMENT PURSUANT TO TITLE ONE 38 39 OR ONE-A OF ARTICLE SEVEN OF THIS CHAPTER. SUCH AN ACTION MAY ONLY BE CHALLENGED BEFORE THE DEPARTMENT. IF AN OWNER IS DISSATISFIED WITH THE 40 41 DEPARTMENT'S FINAL DETERMINATION, THE OWNER MAY APPEAL THAT DETERMI-NATION TO THE BOARD IN A FORM AND MANNER TO BE PRESCRIBED BY THE COMMIS-42 SIONER. SUCH APPEAL SHALL BE FILED WITHIN FORTY-FIVE DAYS FROM THE ISSU-43 ANCE OF THE DEPARTMENT'S FINAL DETERMINATION. IF DISSATISFIED WITH THE 44 45 BOARD'S DETERMINATION, THE OWNER MAY SEEK JUDICIAL REVIEW THEREOF PURSU-46 ANT TO ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES. THE OWNER SHALL OTHERWISE HAVE NO RIGHT TO CHALLENGE SUCH FINAL DETERMI-47 NATION IN A COURT ACTION, ADMINISTRATIVE PROCEEDING, INCLUDING BUT NOT 48 LIMITED TO AN ADMINISTRATIVE PROCEEDING PURSUANT TO ARTICLE FORTY OF THE 49 TAX LAW, OR ANY OTHER FORM OF LEGAL RECOURSE AGAINST THE COMMISSIONER, 50

1 THE DEPARTMENT, THE BOARD, THE ASSESSOR, OR ANY OTHER PERSON, STATE 2 AGENCY, OR LOCAL GOVERNMENT.

3 (C) THE AMOUNT TO BE RECOUPED FOR EACH IMPROPERLY RECEIVED EXEMPTION 4 SHALL HAVE INTEREST ADDED AT THE RATE PRESCRIBED BY SECTION NINE HUNDRED 5 TWENTY-FOUR-A OF THIS CHAPTER OR SUCH OTHER LAW AS MAY BE APPLICABLE FOR 6 EACH MONTH OR PORTION THEREOF SINCE THE LEVY OF SCHOOL TAXES UPON SUCH 7 ASSESSMENT ROLL.

8 (D) IN THE EVENT THAT A REVOCATION OF PRIOR EXEMPTION PURSUANT TO 9 SUBDIVISION TWELVE OF THIS SECTION OR A VOLUNTARY RENUNCIATION OF THE 10 STAR EXEMPTION PURSUANT TO SECTION FOUR HUNDRED NINETY-SIX OF THIS CHAP-11 TER HAS OCCURRED, THE PROVISIONS OF THIS SUBDIVISION SHALL NOT BE APPLI-12 CABLE TO THE EXEMPTIONS SO REVOKED OR VOLUNTARILY RENOUNCED.

13 S 2. This act shall take effect immediately.

#### 14

#### PART F

Section 1. Subdivision 3 of section 97-rrr of the state finance law, as amended by section 8 of part F of chapter 109 of the laws of 2006, is amended to read as follows:

3. The monies in such fund shall be appropriated for school property tax exemptions [and local property tax rebates] granted pursuant to the real property tax law [and the tax law] and payable pursuant to section [thirty-six hundred nine] THIRTY-SIX HUNDRED NINE-E of the education law, AND for payments to the city of New York pursuant to section fifty-four-f of this chapter[, and pursuant to section one hundred seventy-eight of the tax law].

S 2. One-time relief for unenrolled registrants. (1) As used in this 25 26 the term "unenrolled registrant" means a person who purchased section, 27 or otherwise acquired a primary residence after the taxable status date for the 2013 assessment roll and who registered that property with the 28 commissioner of taxation and finance in accordance with subdivision 14 29 30 section 425 of the real property tax law on or before the taxable of status date for the 2014 assessment roll, but who failed to file an 31 application for the STAR exemption for that property in accordance with 32 subdivision 6 of section 425 of the real property tax law on or before 33 34 the taxable status date for the 2014 assessment roll.

35 (2) If the commissioner of taxation and finance is informed on or before October 1, 2015, that an owner of property is an unenrolled registrant, and if such commissioner finds that the unenrolled regis-36 37 38 trant's property would have qualified for the STAR exemption authorized 39 section 425 of the real property tax law on the 2014 assessment roll by if a completed application had been filed with the appropriate assessor 40 41 a timely manner, then the commissioner of taxation and finance is in authorized to remit directly to the property owner or owners the tax 42 43 savings that the STAR exemption would have yielded if the STAR exemption had been granted on the 2014 assessment roll. When remitting such 44 45 amount, the commissioner of taxation and finance shall advise the prop-46 erty owner or owners that such payment is subject to recovery by such commissioner if the property owner or owners do not apply for and quali-fy for the STAR exemption on the 2015 assessment roll, or if it should 47 48 49 otherwise be found to have been erroneously remitted to such property 50 owner or owners.

51 (3) The amounts payable under this act shall be paid from the account 52 established for the payment of STAR benefits to late registrants pursu-53 ant to subparagraph (iii) of paragraph (a) of subdivision 14 of section 54 425 of the real property tax law.

(4) The provisions of part 6 of article 22 of the tax law relating to 1 the collection of a tax imposed by such article that has been assessed 2 3 and remains unpaid shall apply to the recovery authorized by subdivision 4 two of this section of a payment found to have been erroneously made pursuant to this act to an ineligible property owner or owners in the 5 6 same manner and with the same force and effect as if the language of 7 such article had been incorporated in full into this act except to the 8 extent that any provision of such article is either inconsistent with a provision of this act or is not relevant to this act as determined by 9 10 the commissioner of taxation and finance. Furthermore, for purposes of applying the provisions of part 6 of article 22 of the tax law, where 11 the terms "tax" and "taxes" appear in such article, such terms shall be construed to mean "a payment or payments erroneously made pursuant to 12 13 14 this act to an ineligible property owner or owners". 15 S 3. This act shall take effect immediately.

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## PART G

## Intentionally Omitted

# PART H

19 Section 1. Subsection (g) of section 615 of the tax law, as amended by 20 section 1 of part D of chapter 59 of the laws of 2013, is amended to 21 read as follows:

22 (g)(1) With respect to an individual whose New York adjusted gross 23 income is over one million dollars and no more than ten million dollars, the New York itemized deduction shall be an amount equal to fifty 24 percent of any charitable contribution deduction allowed under section 25 one hundred seventy of the internal revenue code for taxable years 26 beginning after two thousand nine and before two thousand [sixteen] 27 28 EIGHTEEN. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction 29 shall be an amount equal to fifty percent of any charitable contribution 30 deduction allowed under section one hundred seventy of the internal 31 32 revenue code for taxable years beginning in two thousand nine or after 33 two thousand [fifteen] SEVENTEEN.

(2) With respect to an individual whose New York adjusted gross income is over ten million dollars, the New York itemized deduction shall be an amount equal to twenty-five percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and ending before two thousand [sixteen] EIGHTEEN.

S 2. Subdivision (g) of section 11-1715 of the administrative code of the city of New York, as amended by section 2 of part D of chapter 59 of the laws of 2013, is amended to read as follows:

43 (g) (1) With respect to an individual whose New York adjusted gross 44 income is over one million dollars but no more than ten million dollars, the New York itemized deduction shall be an amount equal to fifty 45 percent of any charitable contribution deduction allowed under section 46 47 one hundred seventy of the internal revenue code for taxable years beginning after two thousand nine and before two thousand [sixteen] 48 EIGHTEEN. With respect to an individual whose New York adjusted gross 49 50 income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution 51

1 deduction allowed under section one hundred seventy of the internal 2 revenue code for taxable years beginning in two thousand nine or after 3 two thousand [fifteen] SEVENTEEN.

4 (2) With respect to an individual whose New York adjusted gross income 5 is over ten million dollars, the New York itemized deduction shall be an 6 amount equal to twenty-five percent of any charitable contribution 7 deduction allowed under section one hundred seventy of the internal 8 revenue code for taxable years beginning after two thousand nine and 9 ending before two thousand [sixteen] EIGHTEEN.

10 S 3. This act shall take effect immediately.

11

# PART I

12 Section 1. Paragraph 41 of subsection (c) of section 612 of the tax 13 law, as added by section 1 of part KK of chapter 59 of the laws of 2014, 14 is amended to read as follows:

15 (41) The amount of any award paid to a volunteer firefighter or volunteer ambulance worker from a length of service defined contribution plan 16 17 or defined benefit plan as provided for in articles eleven-A, eleven-AA, eleven-AAA and eleven-AAAA of the general municipal law, to the extent 18 that such award is includable in gross income for federal 19 income tax 20 purposes; provided, however, that such award is not distributed in the 21 form of a lump sum distribution, as defined in subparagraph [(A)] (D) of paragraph four of subsection (e) of section four hundred two of the 22 23 internal revenue code and taxed under section six hundred three of this 24 article; and provided, further, that such award is not distributed to a taxpayer who has not attained the age of fifty-nine and one-half years. 25

S 2. Paragraph 37 of subdivision (c) of section 11-1712 of the administrative code of the city of New York, as added by section 2 of part KK of chapter 59 of the laws of 2014, is amended to read as follows:

(37) The amount of any award paid to a volunteer firefighter or volun-29 30 teer ambulance worker from a length of service defined contribution plan 31 or defined benefit plan as provided for in articles eleven-A, eleven-AA, eleven-AAA and eleven-AAAA of the general municipal law, to the extent 32 that such award is includable in gross income for federal income tax 33 34 purposes; provided, however, that such award is not distributed the in 35 form of a lump sum distribution, as defined in subparagraph [(A)] (D) of 36 paragraph four of subsection (e) of section four hundred two of the 37 internal revenue code and taxed under section six hundred three of the 38 law; and provided, further, that such award is not distributed to a tax 39 taxpayer who has not attained the age of fifty-nine and one-half years.

40 S<sup>3</sup>. Paragraph 3-a of subsection (c) of section 612 of the tax law, as 41 amended by chapter 760 of the laws of 1992, is amended to read as 42 follows:

(3-a) Pensions and annuities received by an individual who has attained the age of fifty-nine and one-half, not otherwise excluded 43 44 45 pursuant to paragraph three of this subsection, to the extent includible 46 in gross income for federal income tax purposes, but not in excess of twenty thousand dollars, which are periodic payments attributable to personal services performed by such individual prior to his retirement 47 48 49 from employment, which arise (i) from an employer-employee relationship or (ii) from contributions to a retirement plan which are deductible for 50 federal income tax purposes. However, the term "pensions and annuities" 51 52 shall also include distributions received by an individual who has 53 attained the age of fifty-nine and one-half from an individual retire-54 ment account or an individual retirement annuity, as defined in section

four hundred eight of the internal revenue code, and distributions 1 2 received by an individual who has attained the age of fifty-nine and 3 one-half from self-employed individual and owner-employee retirement 4 plans which qualify under section four hundred one of the internal revenue code, whether or not the payments are periodic in nature. Never-5 6 theless, the term "pensions and annuities" shall not include any lump 7 sum distribution, as defined in subparagraph [(A)] (D) of paragraph four 8 subsection (e) of section four hundred two of the internal revenue of code and taxed under section six hundred three of this article. Where a 9 10 husband and wife file a joint state personal income tax return, the 11 modification provided for in this paragraph shall be computed as if they 12 were filing separate state personal income tax returns. Where a payment would otherwise come within the meaning of the term "pensions and annui-13 14 ties" as set forth in this paragraph, except that such individual is 15 deceased, such payment shall, nevertheless, be treated as a pension or 16 annuity for purposes of this paragraph if such payment is received by 17 such individual's beneficiary.

18 S 4. Subparagraph (B) of paragraph 1 of subsection (e-1) of section 19 606 of the tax law, as added by section 2 of part K of chapter 59 of the 20 laws of 2014, is amended to read as follows:

21 (B) "Household" or "members of the household" means a qualified 22 taxpayer and all other persons, not necessarily related, who have the 23 same residence and share its furnishings, facilities and accommodations. 24 Such terms shall not include a tenant, subtenant, roomer or boarder who 25 is not related to the qualified taxpayer in any degree specified in [paragraphs one through eight of subsection (a)] SUBPARAGRAPHS (A) THROUGH (G) OF PARAGRAPH TWO OF SUBSECTION (D) of section one hundred fifty-two of the internal revenue code. Provided, however, no person may 26 27 28 29 be a member of more than one household at one time.

30 S 5. Subparagraph (D) of paragraph 1 of subsection (e-1) of section 31 606 of the tax law, as added by section 2 of part K of chapter 59 of the 32 laws of 2014, is amended to read as follows:

33 (D) "Residence" means a dwelling in this state, IN A CITY WITH A POPU-34 LATION OF OVER ONE MILLION, owned or rented by the taxpayer, and so much of the land abutting it, not exceeding one acre, as is reasonably neces-35 sary for use of the dwelling as a home, and may consist of a part of 36 а 37 multi-dwelling or multi-purpose building including a cooperative or 38 condominium, and rental units within a single dwelling. Residence trailer or mobile home, used exclusively for residential 39 includes a 40 purposes and defined as real property pursuant to paragraph (q) of subdivision twelve of section one hundred two of the real property tax 41 42 law.

S 6. Subparagraph (B) of paragraph 1 of subsection (e) of section 606 44 of the tax law, as amended by chapter 28 of the laws of 1987, is amended 45 to read as follows:

46 (B) "Household" "members of the household" means a qualified or 47 taxpayer and all other persons, not necessarily related, who have the 48 same residence and share its furnishings, facilities and accommodations. 49 Such terms shall not include a tenant, subtenant, roomer or boarder who 50 is not related to the qualified taxpayer in any degree specified in 51 [paragraphs one through eight of subsection (a)] SUBPARAGRAPHS (A) THROUGH (G) OF PARAGRAPH TWO OF SUBSECTION (D) of section one hundred fifty-two of the internal revenue code. Provided, however, no person may 52 53 54 be a member of more than one household at one time.

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1 S 7. Paragraph 1 of subsection (b) of section 806 of the tax law, as 2 added by section 2 of part DD of chapter 59 of the laws of 2014, is 3 amended to read as follows:

4 (1)The commissioner may require the filing of a combined return which, in addition to the return provided for in subsection (b) of 5 6 section eight hundred four of this article, may also include any of the returns required to be filed by a [resident individual of New York state] TAXPAYER pursuant to the provisions of section six hundred 7 8 9 fifty-one of this chapter and which may be required to be filed by such 10 [individual] TAXPAYER pursuant to any local law enacted pursuant to the 11 authority of article thirty, thirty-A or thirty-B of this chapter.

12 S 8. Paragraph 1 and clause (ii) of subparagraph (B) of paragraph 2 of 13 subsection (xx) of section 606 of the tax law, as added by section 4 of 14 part R of chapter 59 of the laws of 2014, are amended to read as 15 follows:

16 (1) A qualified New York manufacturer will be allowed a credit equal 17 twenty percent of the real property tax it paid during the taxable to 18 year for real property owned by such manufacturer in New York which was principally used during the taxable year for manufacturing to the extent not deducted in computing [federal] NEW YORK adjusted gross income. This 19 20 21 credit will not be allowed if the real property taxes that are the basis 22 this credit are included in the calculation of another credit for 23 claimed by the taxpayer.

(ii) In addition, the term real property tax includes taxes paid by 24 25 the taxpayer upon real property principally used during the taxable year 26 by the taxpayer in manufacturing where the taxpayer leases such real property from an unrelated third party if the following conditions are 27 satisfied: (I) the tax must be paid by the taxpayer as lessee pursuant 28 29 to explicit requirements in a written lease, and (II) the taxpayer as lessee has paid such taxes directly to the taxing authority and has 30 received a written receipt for payment of taxes from the taxing authori-31 32 ty. In the case of a [combined group that constitutes a qualified New York manufacturer] TAXPAYER THAT, DURING THE TAXABLE YEAR, IS PRINCIPAL-33 LY ENGAGED IN THE PRODUCTION OF GOODS BY FARMING, AGRICULTURE, HORTICUL-34 35 FLORICULTURE, VITICULTURE, OR COMMERCIAL FISHING, THE TAXPAYER IS TURE, ELIGIBLE IF THE TAXPAYER SATISFIES the conditions in the preceding 36 37 sentence [are satisfied if one corporation in the combined group is the 38 lessee and another corporation in the combined group makes the payments 39 to the taxing authority] AND THE TAXPAYER LEASES SUCH REAL PROPERTY FROM 40 A RELATED OR UNRELATED PARTY.

41 S 9. Subsection (yy) of section 606 of the tax law, as added by 42 section 4 of part T of chapter 59 of the laws of 2014, is amended to 43 read as follows:

44 The tax-free NY area excise tax on telecommunication services (yy) 45 credit. A taxpayer that is a business or owner of a business that is located in a tax-free NY area approved pursuant to article twenty-one of 46 47 economic development law shall be allowed a credit equal to the the 48 excise tax on telecommunication services imposed by section one hundred 49 eighty-six-e of this chapter and passed through to such business during 50 the taxable year to the extent not otherwise deducted in computing 51 [federal] NEW YORK adjusted gross income. This credit may be claimed only where any tax imposed by such section one hundred eighty-six-e has 52 been separately stated on a bill from the provider of telecommunication 53 54 services and paid by such taxpayer with respect to such services 55 rendered within a tax-free NY area during the taxable year. If the amount of the credit allowed under this subsection for any taxable year 56

1 exceeds the taxpayer's tax for such year, the excess will be treated as 2 an overpayment to be credited or refunded in accordance with the 3 provisions of section six hundred eighty-six of this article, provided, 4 however, that no interest will be paid thereon.

5 S 10. Subparagraph (i) of paragraph 2 of subdivision (b) and subdivi-6 sion (d) of section 25-b of the labor law, as added by section 1 of part 7 MM of chapter 59 of the laws of 2014, are amended to read as follows:

8 (i) who is deemed to have a developmental disability, as that term is 9 defined in subdivision twenty-two of section 1.03 of the mental hygiene 10 law and who is certified by the education department or the office for 11 people with developmental disabilities[:

12 (A)] as a person with a disability which constitutes or results in a 13 substantial handicap to employment; and

14 [(B) as a person having completed or as receiving services under an 15 individualized written rehabilitation plan approved by the education 16 department or other state agency responsible for providing vocational 17 rehabilitation services to such individual; and]

18 (d) To participate in the [developmentally disabled works] WORKERS 19 WITH DISABILITIES tax credit program, an employer must submit an application (in a form prescribed by the commissioner) to the commissioner 20 21 [no later than November thirtieth of the prior year]. The commissioner 22 establish guidelines that specify requirements for employers to shall 23 participate in the program including criteria for certifying qualified 24 employees. Any regulations that the commissioner determines are neces-25 sary may be adopted on an emergency basis notwithstanding anything to 26 the contrary in section two hundred two of the state administrative procedure act. Such requirements may include the types of industries 27 28 that the employers are engaged in.

S 11. This act shall take effect immediately, provided, however that: (i) sections one and two of this act shall be deemed to have been in full force and effect on and after the effective date of part KK of chapter 59 of the laws of 2014;

(ii) sections four and five of this act shall be deemed to have been in full force and effect on and after the effective date of part K of chapter 59 of the laws of 2014, provided, however, that the amendments to subsection (e-1) of section 606 of the tax law made by sections four and five of this act shall not affect the repeal of such subsection and shall be deemed repealed therewith;

39 (iii) section seven of this act shall be deemed to have been in full 40 force and effect on and after the effective date of part DD of chapter 41 59 of the laws of 2014;

42 (iv) section eight of this act shall be deemed to have been in full 43 force and effect on and after the effective date of part R of chapter 59 44 of the laws of 2014;

45 (v) section nine of this act shall be deemed to have been in full 46 force and effect on and after the effective date of part T of chapter 59 47 of the laws of 2014;

48 (vi) section ten of this act shall be deemed to have been in full 49 force and effect on and after the effective date of part MM of chapter 50 59 of the laws of 2014; and

51 (vii) the amendments to section 25-b of the labor law made by section 52 ten of this act, shall not affect the repeal of such section and shall 53 be deemed repealed therewith. 1 Section 1. Section 9 of part V of chapter 62 of the laws of 2006, 2 amending the tax law relating to the empire state commercial production 3 tax credit, is REPEALED.

4 S 2. Subdivision (c) of section 28 of the tax law, as amended by 5 section 45 of part A of chapter 59 of the laws of 2014, is relettered 6 subdivision (d) and a new subdivision (c) is added to read as follows:

7 (C) THE DEPARTMENT OF ECONOMIC DEVELOPMENT SHALL SUBMIT, ON OR BEFORE 8 DECEMBER FIRST OF EACH YEAR, TO THE GOVERNOR, THE DIRECTOR OF THE DIVI-9 SION OF THE BUDGET, THE TEMPORARY PRESIDENT OF THE SENATE, AND THE 10 SPEAKER OF THE ASSEMBLY AN ANNUAL REPORT INCLUDING, BUT NOT LIMITED TO, 11 THE FOLLOWING INFORMATION REGARDING THE PREVIOUS CALENDAR YEAR:

(1) THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE NAME AND ADDRESS 12 EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY ALLOCATED CREDITS UNDER 13 OF THIS SECTION, THE TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED 14 COMMERCIAL PRODUCTION COMPANY, THE TOTAL AMOUNT OF QUALIFIED PRODUCTION 15 COSTS AND PRODUCTION COSTS FOR EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF EMPLOYEES, CREDIT-ELIGIBLE MAN 16 17 HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCIATED WITH EACH OUALIFIED COMMER-18 19 CIAL PRODUCTION COMPANY ALLOCATED CREDITS UNDER THIS SECTION;

20 (2) FOR QUALIFIED COMMERCIAL PRODUCTION COMPANIES THAT WERE ALLOCATED 21 CREDIT PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH TWO OF SUBDIVISION (A) OF THIS SECTION: THE NAME AND ADDRESS OF EACH QUALIFIED COMMERCIAL 22 PRODUCTION COMPANY, THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED COMMERCIAL 23 24 25 PRODUCTION COMPANY, TOTAL QUALIFIED PRODUCTION COSTS AND PRODUCTION COSTS FOR EACH QUALIFIED PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF 26 EMPLOYEES, CREDIT-ELIGIBLE MAN HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCI-27 WITH EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY THAT FILMED OR 28 ATED RECORDED A OUALIFIED COMMERCIAL WITHIN THE DISTRICT; 29

30 (3) FOR QUALIFIED COMMERCIAL PRODUCTION COMPANIES THAT WERE ALLOCATED CREDIT PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH TWO OF SUBDIVISION 31 32 (A) OF THIS SECTION: THE NAME AND ADDRESS OF EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE 33 TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, TOTAL QUALIFIED PRODUCTION COSTS AND PRODUCTION 34 35 COSTS FOR EACH QUALIFIED PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF 36 EMPLOYEES, CREDIT-ELIGIBLE MAN HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCI-37 38 ATED WITH EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY THAT FILMED OR RECORDED A QUALIFIED COMMERCIAL OUTSIDE THE DISTRICT; AND 39

40 (4) THE AMOUNT OF CREDITS REALLOCATED TO ALL ELIGIBLE QUALIFIED 41 COMMERCIAL PRODUCTION COMPANIES PURSUANT TO SUBPARAGRAPH (III) OF PARA-42 GRAPH TWO OF SUBDIVISION (A) OF THIS SECTION.

43 (5) THE REPORT MAY ALSO INCLUDE ANY RECOMMENDATIONS FOR CHANGES IN THE
44 CALCULATION OR ADMINISTRATION OF THE CREDIT, RECOMMENDATIONS REGARDING
45 CONTINUING MODIFICATION OR REPEAL OF THIS CREDIT, AND ANY OTHER INFORMA46 TION REGARDING THIS CREDIT AS MAY BE USEFUL AND APPROPRIATE.

47 S 3. This act shall take effect immediately with the first report 48 being due December 1, 2016, with regard to credits allocated in calendar 49 year 2015.

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### PART K

51 Section 1. Subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 52 and 19 of section 352 of the economic development law, as added by 53 section 1 of part MM of chapter 59 of the laws of 2010, subdivision 12 1 as amended by section 1 of part G of chapter 61 of the laws of 2011, are 2 amended to read as follows:

3 "ENTERTAINMENT COMPANY" MEANS A CORPORATION, PARTNERSHIP, LIMITED 7. 4 PARTNERSHIP, OR OTHER ENTITY PRINCIPALLY ENGAGED IN THE PRODUCTION OR 5 PRODUCTION (I) MOTION PICTURES, WHICH SHALL POST OF INCLUDE 6 FEATURE-LENGTH FILMS AND TELEVISION FILMS, (II) INSTRUCTIONAL VIDEOS, 7 TELEVISED COMMERCIAL ADVERTISEMENTS, (IV) (III) ANIMATED FILMS OR 8 MUSIC VIDEOS, (VI) TELEVISION PROGRAMS, WHICH CARTOONS, (V) SHALL INCLUDE, BUT NOT BE LIMITED TO, TELEVISION SERIES, TELEVISION PILOTS, 9 10 AND SINGLE TELEVISION EPISODES, OR (VII) PROGRAMS PRIMARILY INTENDED FOR "ENTERTAINMENT COMPANY" SHALL NOT INCLUDE AN 11 RADIO BROADCAST. ENTITY PRINCIPALLY ENGAGED IN THE LIVE PERFORMANCE OF EVENTS, INCLUDING, 12 (I) THEATRICAL PRODUCTIONS, CONCERTS, CIRCUSES, 13 BUT NOT LIMITED TO, AND 14 SPORTING EVENTS, (II) PRINCIPALLY ENGAGED IN THE PRODUCTION OF CONTENT INTENDED PRIMARILY FOR INDUSTRIAL, CORPORATE OR INSTITUTIONAL END-USERS, 15 (III) PRINCIPALLY ENGAGED IN THE PRODUCTION OF FUNDRAISING FILMS OR 16 PROGRAMS, OR (IV) ENGAGED IN THE PRODUCTION OF CONTENT FOR WHICH RECORDS 17 REOUIRED UNDER SECTION 2257 OF TITLE 18, UNITED STATES CODE, TO BE 18 ARE 19 MAINTAINED WITH RESPECT TO ANY PERFORMER IN SUCH PRODUCTION.

20 8. "Financial services data centers or financial services customer 21 back office operations" means operations that manage the data or 22 accounts of existing customers or provide product or service information 23 and support to customers of financial services companies, including 24 banks, other lenders, securities and commodities brokers and dealers, 25 investment banks, portfolio managers, trust offices, and insurance 26 companies.

[8.] 9. "Investment zone" shall mean an area within the state that had been designated under paragraph (i) of subdivision (a) and subdivision (d) of section nine hundred fifty-eight of the general municipal law that was wholly contained within up to four distinct and separate contiguous areas as of the date immediately preceding the date the designation of such area expired pursuant to section nine hundred sixty-nine of the general municipal law.

34 [9.] 10. "Manufacturing" means the process of working raw materials 35 into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artifi-36 37 cial process by the use of machinery, tools, appliances, or other simi-38 equipment. "Manufacturing" does not include an operation that lar involves only the assembly of components, provided, however, the assem-39 40 bly of motor vehicles or other high value-added products shall be 41 considered manufacturing.

[10.] 11. "MUSIC PRODUCTION" MEANS THE PROCESS OF CREATING 42 SOUND 43 RECORDINGS LEAST EIGHT MINUTES, RECORDED IN PROFESSIONAL SOUND OF AT STUDIOS, INTENDED FOR COMMERCIAL RELEASE. "MUSIC PRODUCTION" 44 DOES NOT 45 INCLUDE RECORDING OF LIVE CONCERTS, OR RECORDINGS THAT ARE PRIMARILY SPOKEN WORD OR WILDLIFE OR NATURE SOUNDS, OR PRODUCED FOR INSTRUCTIONAL 46 47 USE OR ADVERTISING OR PROMOTIONAL PURPOSES.

48 12. "Net new jobs" means [jobs created in this state that]:

49 (a) JOBS CREATED IN THIS STATE THAT (I) are new to the state[;],

50 [(b)] (II) have not been transferred from employment with another 51 business located in this state including from a related person in this 52 state[;],

53 [(c)] (III) are either full-time wage-paying jobs or equivalent to a 54 full-time wage-paying job requiring at least thirty-five hours per 55 week[;], and

56 [(d)] (IV) are filled for more than six months[.]; OR

(B) JOBS OBTAINED BY AN ENTERTAINMENT COMPANY IN THIS STATE (I) AS A 1 2 RESULT OF THE TERMINATION OF A LICENSING AGREEMENT WITH ANOTHER ENTER-3 TAINMENT COMPANY, (II) THAT THE COMMISSIONER DETERMINES TO BE AT RISK OF 4 LEAVING THE STATE AS A DIRECT RESULT OF THE TERMINATION, (III) THAT ARE 5 EITHER FULL-TIME WAGE-PAYING JOBS OR EQUIVALENT TO A FULL-TIME WAGE-PAY-6 ING JOB REQUIRING AT LEAST THIRTY-FIVE HOURS PER WEEK, AND (IV) THAT ARE 7 FILLED FOR MORE THAN SIX MONTHS. 8 [11.] 13. "Participant" means a business entity that: has completed an application prescribed by the department to be 9 (a) 10 admitted into the program; 11 (b) has been issued a certificate of eligibility by the department; (c) has demonstrated that it meets the eligibility criteria in section 12 three hundred fifty-three and subdivision two of section three hundred 13 14 fifty-four of this article; and 15 (d) has been certified as a participant by the commissioner. 16 14. "Preliminary schedule of benefits" means the maximum aggre-[12.]17 gate amount of each component of the tax credit that a participant in the excelsior jobs program is eligible to receive pursuant to this arti-18 19 cle. The schedule shall indicate the annual amount of each component of the credit a participant may claim in each of its ten years of eligibil-20 The preliminary schedule of benefits shall be issued by the 21 ity. 22 department when the department approves the application for admission 23 into the program. The commissioner may amend that schedule, provided 24 that the commissioner complies with the credit caps in section three 25 hundred fifty-nine of this article. 26 [13.] 15. "Qualified investment" means an investment in tangible property (including a building or a structural component of a building) 27 owned by a business enterprise which: 28 29 (a) is depreciable pursuant to section one hundred sixty-seven of the 30 internal revenue code; (b) has a useful life of four years or more; 31 32 (C) is acquired by purchase as defined in section one hundred seven-33 ty-nine (d) of the internal revenue code; 34 (d) has a situs in this state; and 35 (e) is placed in service in the state on or after the date the certificate of eligibility is issued to the business enterprise. 36 37 [14.] 16. "Regionally significant project" means (a) a manufacturer creating at least fifty net new jobs in the state and making significant capital investment in the state; (b) a business creating at least twenty 38 39 40 new jobs in agriculture in the state and making significant capital net investment in the state, (c) a financial services firm, distribution 41 center, or back office operation creating at least three hundred net new 42 43 in the state and making significant capital investment in the jobs 44 state, [or] (d) a scientific research and development firm creating at 45 least twenty net new jobs in the state, and making significant capital investment in the state OR (E) AN ENTERTAINMENT COMPANY CREATING OR 46 47 TWO HUNDRED NET NEW JOBS IN THE STATE AND MAKING OBTAINING AT LEAST 48 SIGNIFICANT CAPITAL INVESTMENT IN THE STATE. Other businesses creating 49 three hundred or more net new jobs in the state and making significant 50 capital investment in the state may be considered eligible as а 51 regionally significant project by the commissioner as well. The commissioner shall promulgate regulations pursuant to section three hundred 52 fifty-six of this article to determine what constitutes significant 53 54 capital investment for each of the project categories indicated in this 55 subdivision and what additional criteria a business must meet to be eligible as a regionally significant project, including, but not limited 56

to, whether a business exports a substantial portion of its products or 1 2 services outside of the state or outside of a metropolitan statistical 3 area or county within the state.

"Related person" means a "related person" pursuant to 4 [15.]17. 5 subparagraph (c) of paragraph three of subsection (b) of section four 6 hundred sixty-five of the internal revenue code.

7 18. "Remuneration" means wages and benefits paid to an employee [16.]by a participant in the excelsior jobs program. 8

[17.] 19. "Research and development expenditures" mean the expenses of 9 10 the business enterprise that are qualified research expenses under the federal research and development credit under section forty-one of the 11 internal revenue code and are attributable to activities conducted in 12 the state. If the federal research and development credit has expired, 13 14 then the research and development expenditures shall be calculated as if 15 the federal research and development credit structure and definition in effect in federal tax year two thousand nine were still in effect. 16

17 "Scientific research and development" means conducting [18.] 20. 18 research and experimental development in the physical, engineering, and life sciences, including but not limited to agriculture, electronics, 19 20 environmental, biology, botany, biotechnology, computers, chemistry, 21 food, fisheries, forests, geology, health, mathematics, medicine, ocean-22 ography, pharmacy, physics, veterinary, and other allied subjects. For the purposes of this article, scientific research and development does 23 24 not include medical or veterinary laboratory testing facilities.

25 [19.] 21. "Software development" means the creation of coded computer 26 instructions OR PRODUCTION OR POST-PRODUCTION OF VIDEO GAMES, AS DEFINED 27 IN SUBDIVISION ONE-A OF SECTION SIX HUNDRED ELEVEN OF THE GENERAL BUSI-28 NESS LAW, OTHER THAN THOSE EMBEDDED AND USED EXCLUSIVELY IN ADVERTISING, 29 PROMOTIONAL WEBSITES OR MICROSITES, and ALSO includes new media as defined by the commissioner in regulations. 30

S 2. Subdivisions 1, 3, and 5 of section 353 of the economic develop-31 law, subdivisions 1 and 5 as amended by section 2 of part G of 32 ment chapter 61 of the laws of 2011 and subdivision 3 as amended by section 1 33 34 of part C of chapter 68 of the laws of 2013, are amended to read as 35 follows:

36 1. To be a participant in the excelsior jobs program, a business enti-37 ty shall operate in New York state predominantly:

38 (a) as a financial services data center or a financial services back 39 office operation; 40

(b) in manufacturing;

(c) in software development and new media; 41

42 (d) in scientific research and development;

43 (e) in agriculture;

46

44 (f) in the creation or expansion of back office operations in the 45 state;

(g) in a distribution center; [or]

47 in an industry with significant potential for private-sector (h) 48 economic growth and development in this state as established by the commissioner in regulations promulgated pursuant to this article. In 49 50 promulgating such regulations the commissioner shall include job and 51 investment criteria;

52 (I) AS AN ENTERTAINMENT COMPANY; OR

53 (J) IN MUSIC PRODUCTION.

54 3. For the purposes of this article, in order to participate in the 55 excelsior jobs program, a business entity operating predominantly in manufacturing must create at least ten net new jobs; a business entity 56

operating predominately in agriculture must create at least five net new 1 2 jobs; a business entity operating predominantly as a financial service 3 data center or financial services customer back office operation must 4 create at least fifty net new jobs; a business entity operating predomi-5 nantly in scientific research and development must create at least five 6 net new jobs; a business entity operating predominantly in software 7 development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least 8 fifty new jobs; A BUSINESS ENTITY OPERATING PREDOMINATELY 9 net IN MUSIC 10 PRODUCTION MUST CREATE AT LEAST FIVE NET NEW JOBS; A BUSINESS ENTITY OPERATING PREDOMINANTLY AS AN ENTERTAINMENT 11 COMPANY MUST CREATE OR 12 OBTAIN AT LEAST ONE HUNDRED NET NEW JOBS; or a business entity operating predominantly as a distribution center in the state must create at least 13 14 seventy-five net new jobs, notwithstanding subdivision five of this 15 section; or a business entity must be a regionally significant project 16 as defined in this article; or

17 5. A not-for-profit business entity, a business entity whose primary function is the provision of services including personal services, busi-18 19 services, or the provision of utilities, and a business entity ness engaged predominantly in the retail or entertainment 20 industry, OTHER 21 THAN A BUSINESS OPERATING AS AN ENTERTAINMENT COMPANY AS DEFINED IN THIS 22 AND OTHER THAN A BUSINESS ENTITY ENGAGED IN MUSIC PRODUCTION, ARTICLE 23 and a company engaged in the generation or distribution of electricity, 24 distribution of natural gas, or the production of steam associated the 25 with the generation of electricity are not eligible to receive the tax 26 credit described in this article.

27 S 3. Subdivision 1 of section 354 of the economic development law, as 28 amended by section 3 of part G of chapter 61 of the laws of 2011, is 29 amended as follows:

30 A business enterprise must submit a completed application as 1. prescribed by the commissioner. AN APPLICATION MADE BY AN ENTERTAINMENT 31 32 COMPANY MUST BE SUBMITTED BY JUNE FIRST, TWO THOUSAND FIFTEEN, EXCEPT AN APPLICATION MADE BY AN ENTERTAINMENT COMPANY THAT IS ELIGIBLE TO 33 FOR 34 PARTICIPATE IN THE EXCELSIOR JOBS PROGRAM BASED UPON CREATING NET NEW TO PARAGRAPH (A) OF SUBDIVISION TWELVE OF SECTION THREE 35 JOBS PURSUANT HUNDRED FIFTY-TWO OF THIS ARTICLE. An application may be recommended by 36 37 entities, including but not limited to, those created pursuant to subdi-38 vision (e) of section nine hundred fifty-seven of the general municipal 39 law.

40 S 4. Subdivision 6 of section 355 of the economic development law, as 41 amended by section 4 of part G of chapter 61 of the laws of 2011, is 42 amended to read as follows:

43 6. Claim of tax credit. The business enterprise shall be allowed to 44 claim the credit as prescribed in section thirty-one of the tax law. NO COSTS USED BY AN ENTERTAINMENT COMPANY AS THE BASIS FOR THE ALLOWANCE OF 45 THIS SECTION SHALL BE USED BY SUCH ENTER-46 CREDIT DESCRIBED IN А TAX TAINMENT COMPANY TO CLAIM ANY OTHER CREDIT ALLOWED PURSUANT TO 47 THETAX 48 LAW.

49 S 5. This act shall take effect immediately.

50 PART L 51 Intentionally Omitted

52

	S. 2009B	22	A. 3009B
1		Intentionally Omitted	
2		PART N	
3		Intentionally Omitted	
4		PART O	
4 5678901123456789012234567890123345678 333333333333333333333333333333333333	article 22 to read as EM SECTION 441. DEFINITI 442. ELIGIBIL 443. APPLICAT 444. POWERS A 445. RECORDKE 446. CAP ON T S 441. DEFINITIONS. HAVE THE FOLLOWING ME 1. "APPROVED PROVID BE ESTABLISHED BY TH PURSUANT TO THIS ARTI EES OF A BUSINESS E TIVE PROGRAM; PROVIDE TY SHALL BE AN APPROV WITH SUCH BUSINESS E PROVIDER POSSESS ADEQ IN AN APPLICATION IPATE IN THE EMPLOYEE 2. "COMMISSIONER" M 3. "ELIGIBLE TRAINI PROVIDER THAT IS: (I) TO UPGRADE, RET (II) PROVIDED TO EMPLOYEES IN CONNECTI PARTICIPATING BUSINESS (III) DETERMINED BY PART OF A PARTICIPATI (IV) NOT DESIGNED OR STATE ENTITY;	conomic development law is follows: ARTICLE 22 PLOYEE TRAINING INCENTIVE PH ONS. ITY CRITERIA. ION AND APPROVAL PROCESS. ND DUTIES OF THE COMMISSIONH EPING REQUIREMENTS. AX CREDIT. AS USED IN THIS ARTICLE, TH ANINGS: ER" MEANS AN ENTITY MEETING E COMMISSIONER IN RULES AND CLE, THAT MAY PROVIDE ELIGIN NTITY PARTICIPATING IN THE H D THAT, FOR INTERNSHIP PROGH ED PROVIDER OR AN APPROVED NTITY. SUCH CRITERIA SHALL H UATE CREDENTIALS TO PROVIDE BY A BUSINESS ENTITY TO THE TRAINING INCENTIVE PROGRAM. EANS THE COMMISSIONER OF ECC NG" MEANS (A) TRAINING PRO RAIN OR IMPROVE THE PRODUCT EMPLOYEES FILLING NET NH ON WITH A SIGNIFICANT CAH S ENTITY; THE COMMISSIONER TO SATISFY	ROGRAM ER. HE FOLLOWING TERMS SHALL SUCH CRITERIA AS SHALL REGULATIONS PROMULGATED BLE TRAINING TO EMPLOY- EMPLOYEE TRAINING INCEN- RAMS, THE BUSINESS ENTI- PROVIDER IN CONTRACT ENSURE THAT ANY APPROVED THE TRAINING DESCRIBED COMMISSIONER TO PARTIC ONOMIC DEVELOPMENT. OVIDED BY AN APPROVED IVITY OF EMPLOYEES; EW JOBS, OR TO EXISTING PITAL INVESTMENT BY A Y A BUSINESS NEED ON THE AS REQUIRED BY A FEDERAL
39 40 41 42 43 44 45	TION; AND (VI) NOT CULTURALLY (B) AN INTERNSHIP P COMMISSIONER AND PR FIRST, TWO THOUSAND F TUNITIES FOR CURRENT	ATE REQUIRED BY LAW IN ORDER FOCUSED TRAINING; OR ROGRAM IN ADVANCED TECHNO OVIDED BY AN APPROVED PROVI IFTEEN, TO PROVIDE EMPLOYMEN STUDENTS, RECENT GRADUATES,	OLOGY APPROVED BY THE IDER, ON OR AFTER AUGUST NT AND EXPERIENCE OPPOR-
46 47 48 49 50	(A) IS NEW TO THE S (B) HAS NOT BEEN	ANS A JOB CREATED IN THIS ST TATE; TRANSFERRED FROM EMPLOYMEN THROUGH AN ACQUISITION, MEN	NT WITH ANOTHER BUSINESS

OTHER REORGANIZATION OF BUSINESSES OR THE ACQUISITION OF ASSETS OF 1 ANOTHER BUSINESS, AND HAS NOT BEEN TRANSFERRED FROM EMPLOYMENT WITH A 2 3 RELATED PERSON IN THIS STATE; 4 (C) IS EITHER A FULL-TIME WAGE-PAYING JOB OR EQUIVALENT TO A FULL-TIME 5 WAGE-PAYING JOB REQUIRING AT LEAST THIRTY-FIVE HOURS PER WEEK; 6 (D) IS FILLED FOR MORE THAN SIX MONTHS; 7 (E) IS FILLED BY A PERSON WHO HAS RECEIVED ELIGIBLE TRAINING; AND 8 (F) IS COMPRISED OF TASKS THE PERFORMANCE OF WHICH REQUIRED THE PERSON 9 FILLING THE JOB TO UNDERGO ELIGIBLE TRAINING. 10 5. "SIGNIFICANT CAPITAL INVESTMENT" MEANS A CAPITAL INVESTMENT OF AT LEAST ONE MILLION DOLLARS IN NEW BUSINESS PROCESSES OR EQUIPMENT. 11 6. "STRATEGIC INDUSTRY" MEANS AN INDUSTRY IN THIS STATE, AS ESTAB-12 LISHED BY THE COMMISSIONER IN REGULATIONS PROMULGATED PURSUANT TO THIS 13 14 ARTICLE, BASED UPON THE FOLLOWING CRITERIA: (A) SHORTAGES OF WORKERS TRAINED TO WORK WITHIN THE INDUSTRY; 15 16 (B) TECHNOLOGICAL DISRUPTION IN THE INDUSTRY, REQUIRING SIGNIFICANT 17 CAPITAL INVESTMENT FOR EXISTING BUSINESSES TO REMAIN COMPETITIVE; THE ABILITY OF BUSINESSES IN THE INDUSTRY TO RELOCATE OUTSIDE OF 18 (C) 19 THE STATE IN ORDER TO ATTRACT TALENT; 20 (D) THE POTENTIAL TO RECRUIT MINORITIES AND WOMEN TO BE TRAINED TO 21 WORK IN THE INDUSTRY IN WHICH THEY ARE TRADITIONALLY UNDERREPRESENTED; 22 THE POTENTIAL TO CREATE JOBS IN ECONOMICALLY DISTRESSED AREAS, (E) WHICH SHALL BE BASED ON CRITERIA INDICATIVE OF ECONOMIC DISTRESS, 23 24 INCLUDING POVERTY RATES, NUMBERS OF PERSONS RECEIVING PUBLIC ASSISTANCE, 25 AND UNEMPLOYMENT RATES; OR 26 (F) SUCH OTHER CRITERIA AS SHALL BE DEVELOPED BY THE COMMISSIONER IN 27 CONSULTATION WITH THE COMMISSIONER OF LABOR. 28 S 442. ELIGIBILITY CRITERIA. IN ORDER TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, A BUSINESS ENTITY MUST SATISFY THE FOLLOWING 29 30 CRITERIA: (A) THE BUSINESS ENTITY MUST OPERATE IN THE STATE PREDOMINANTLY IN 31 1. 32 A STRATEGIC INDUSTRY; 33 (B) THE BUSINESS ENTITY MUST DEMONSTRATE THAT IT IS OBTAINING ELIGIBLE 34 TRAINING FROM AN APPROVED PROVIDER; 35 (C) THE BUSINESS ENTITY MUST CREATE AT LEAST TEN NET NEW JOBS OR MAKE SIGNIFICANT CAPITAL INVESTMENT IN CONNECTION WITH THE ELIGIBLE TRAIN-36 Α 37 ING; AND 38 (D) THE BUSINESS ENTITY MUST BE IN COMPLIANCE WITH ALL WORKER PROTECTION AND ENVIRONMENTAL LAWS AND REGULATIONS. IN ADDITION, THE 39 40 BUSINESS ENTITY MAY NOT OWE PAST DUE STATE TAXES OR LOCAL PROPERTY 41 TAXES; OR THE BUSINESS ENTITY, OR AN APPROVED PROVIDER IN CONTRACT WITH 42 2. (A) SUCH BUSINESS ENTITY, MUST BE APPROVED BY THE COMMISSIONER TO PROVIDE 43 ELIGIBLE TRAINING IN THE FORM OF AN INTERNSHIP PROGRAM IN ADVANCED TECH-44 45 NOLOGY PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THIS ARTICLE; 46 47 (B) THE BUSINESS ENTITY MUST BE LOCATED IN THE STATE; 48 (C) THE BUSINESS ENTITY MUST BE IN COMPLIANCE WITH ALL WORKER 49 PROTECTION AND ENVIRONMENTAL LAWS AND REGULATIONS. IN ADDITION, THE 50 BUSINESS ENTITY MUST NOT HAVE PAST DUE STATE TAXES OR LOCAL PROPERTY 51 TAXES; 52 (D) THE INTERNSHIP PROGRAM SHALL NOT DISPLACE REGULAR EMPLOYEES; (E) THE BUSINESS ENTITY MUST HAVE LESS THAN ONE HUNDRED EMPLOYEES; AND 53 54 (F) PARTICIPATION OF AN INDIVIDUAL IN AN INTERNSHIP PROGRAM SHALL NOT 55 LAST MORE THAN A TOTAL OF TWELVE MONTHS.

S 443. APPLICATION AND APPROVAL PROCESS. 1. A BUSINESS ENTITY MUST 1 2 SUBMIT A COMPLETED APPLICATION IN SUCH FORM AND WITH SUCH INFORMATION AS PRESCRIBED BY THE COMMISSIONER. 3 4 2. AS PART OF SUCH APPLICATION, EACH BUSINESS ENTITY MUST: 5 (A) PROVIDE SUCH DOCUMENTATION AS THE COMMISSIONER MAY REQUIRE IN 6 ORDER FOR THE COMMISSIONER TO DETERMINE THAT THE BUSINESS ENTITY INTENDS 7 TO PROCURE ELIGIBLE TRAINING FOR ITS EMPLOYEES FROM AN APPROVED PROVID-8 ER; 9 (B) AGREE TO ALLOW THE DEPARTMENT OF TAXATION AND FINANCE TO SHARE ITS 10 INFORMATION WITH THE DEPARTMENT. HOWEVER, ANY INFORMATION SHARED AS TAX A RESULT OF THIS AGREEMENT SHALL NOT BE AVAILABLE FOR DISCLOSURE OR 11 INSPECTION UNDER THE STATE FREEDOM OF INFORMATION LAW; 12 TO ALLOW THE DEPARTMENT OF LABOR TO SHARE ITS TAX AND 13 (C) AGREE 14 EMPLOYER INFORMATION WITH THE DEPARTMENT. HOWEVER, ANY INFORMATION SHARED AS A RESULT OF THIS AGREEMENT SHALL NOT BE AVAILABLE FOR DISCLO-15 SURE OR INSPECTION UNDER THE STATE FREEDOM OF INFORMATION LAW; 16 (D) ALLOW THE DEPARTMENT AND ITS AGENTS ACCESS TO ANY AND ALL BOOKS 17 AND RECORDS THE DEPARTMENT MAY REQUIRE TO MONITOR COMPLIANCE; 18 19 (E) PROVIDE A CLEAR AND DETAILED PRESENTATION OF ALL RELATED PERSONS 20 TO THE APPLICANT TO ASSURE THE DEPARTMENT THAT JOBS ARE NOT BEING SHIFT-21 ED WITHIN THE STATE; AND 22 (F) CERTIFY, UNDER PENALTY OF PERJURY, THAT IT IS IN SUBSTANTIAL COMPLIANCE WITH ALL ENVIRONMENTAL, WORKER PROTECTION, AND LOCAL, STATE, 23 AND FEDERAL TAX LAWS. 24 25 3. THE COMMISSIONER MAY APPROVE AN APPLICATION FROM A BUSINESS ENTITY 26 UPON DETERMINING THAT SUCH BUSINESS ENTITY MEETS THE ELIGIBILITY CRITE-27 RIA ESTABLISHED IN SECTION FOUR HUNDRED FORTY-TWO OF THIS ARTICLE. 28 FOLLOWING APPROVAL BY THE COMMISSIONER OF AN APPLICATION BY A BUSINESS ENTITY TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, 29 THE COMMISSIONER SHALL ISSUE A CERTIFICATE OF TAX CREDIT TO THE BUSINESS 30 ENTITY UPON ITS DEMONSTRATING SUCCESSFUL COMPLETION OF SUCH ELIGIBLE 31 32 TRAINING TO THE SATISFACTION OF THE COMMISSIONER. FOR ELIGIBLE TRAINING AS DEFINED BY PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED 33 THIS ARTICLE THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO 34 FORTY-ONE OF 35 FIFTY PERCENT OF ELIGIBLE TRAINING COSTS, UP TO A CREDIT OF TEN THOUSAND DOLLARS PER EMPLOYEE RECEIVING ELIGIBLE TRAINING. FOR ELIGIBLE TRAINING 36 AS DEFINED BY PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED 37 FORTY-ONE OF THIS ARTICLE, THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO FIFTY PERCENT OF THE STIPEND PAID TO AN INTERN, UP TO A CREDIT OF THREE 38 39 40 THOUSAND DOLLARS PER INTERN. THE TAX CREDITS SHALL BE CLAIMED BY THE QUALIFIED EMPLOYER AS SPECIFIED IN SUBDIVISION FIFTY OF SECTION TWO 41 42 HUNDRED TEN-B AND SUBSECTION (DDD) OF SECTION SIX HUNDRED SIX OF THE TAX 43 LAW. 44 S 444. POWERS AND DUTIES OF THE COMMISSIONER. 1. THE COMMISSIONER 45 SHALL, IN CONSULTATION WITH THE COMMISSIONER OF LABOR, PROMULGATE REGU-LATIONS CONSISTENT WITH THE PURPOSES OF THIS ARTICLE THAT, NOTWITHSTAND-46 47 ING ANY PROVISIONS TO THE CONTRARY IN THE STATE ADMINISTRATIVE PROCEDURE 48 ACT, MAY BE ADOPTED ON AN EMERGENCY BASIS. SUCH REGULATIONS SHALL 49 INCLUDE, BUT NOT BE LIMITED TO, ELIGIBILITY CRITERIA FOR BUSINESS ENTI-TIES DESIRING TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, 50 PROCEDURES FOR THE RECEIPT AND EVALUATION OF APPLICATIONS FROM BUSINESS 51 ENTITIES TO PARTICIPATE IN THE PROGRAM, AND SUCH OTHER PROVISIONS AS THE 52 COMMISSIONER DEEMS TO BE APPROPRIATE IN ORDER TO IMPLEMENT THE 53 54 PROVISIONS OF THIS ARTICLE. 55 2. THE COMMISSIONER SHALL, IN CONSULTATION WITH THE DEPARTMENT OF 56 TAXATION AND FINANCE, DEVELOP A CERTIFICATE OF TAX CREDIT THAT SHALL BE 1 ISSUED BY THE COMMISSIONER TO PARTICIPATING BUSINESS ENTITIES. PARTIC-2 IPANTS MAY BE REQUIRED BY THE COMMISSIONER OF TAXATION AND FINANCE TO 3 INCLUDE THE CERTIFICATE OF TAX CREDIT WITH THEIR TAX RETURN TO RECEIVE 4 ANY TAX BENEFITS UNDER THIS ARTICLE.

5 THE COMMISSIONER SHALL SOLELY DETERMINE THE ELIGIBILITY OF ANY 3. 6 APPLICANT APPLYING FOR ENTRY INTO THE PROGRAM AND SHALL REMOVE ANY 7 PARTICIPANT FROM THE PROGRAM FOR FAILING TO MEET ANY OF THE REOUIREMENTS 8 FORTH IN SUBDIVISION ONE OF SECTION FOUR HUNDRED FORTY-TWO OF THIS SET 9 ARTICLE OR FOR MAKING A MATERIAL MISREPRESENTATION WITH RESPECT TO ITS 10 PARTICIPATION IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM.

11 S 445. RECORDKEEPING REQUIREMENTS. EACH BUSINESS ENTITY PARTICIPATING 12 IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM SHALL MAINTAIN ALL RELEVANT 13 RECORDS FOR THE DURATION OF ITS PROGRAM PARTICIPATION PLUS THREE YEARS.

14 S 446. CAP ON TAX CREDIT. THE TOTAL AMOUNT OF TAX CREDITS LISTED ON CERTIFICATES OF TAX CREDIT ISSUED BY THE COMMISSIONER FOR ANY 15 TAXABLE YEAR MAY NOT EXCEED FIVE MILLION DOLLARS, AND SHALL BE ALLOTTED FROM THE 16 FUNDS AVAILABLE FOR TAX CREDITS UNDER THE EXCELSIOR JOBS PROGRAM ACT 17 PURSUANT TO SECTION THREE HUNDRED FIFTY-NINE OF THIS CHAPTER, PROVIDED 18 19 HOWEVER, THAT THE PORTION OF THIS TAX CREDIT CAP ALLOCATED TO INTERNSHIP 20 PROGRAMS IN ADVANCED TECHNOLOGY SHALL BE NOT LESS THAN TWO HUNDRED FIFTY 21 THOUSAND DOLLARS NOR MORE THAN ONE MILLION DOLLARS.

22 S 2. Section 210-B of the tax law is amended by adding a new subdivi-23 sion 50 to read as follows:

24 50. EMPLOYEE TRAINING INCENTIVE PROGRAM TAX CREDIT. (A) A TAXPAYER 25 THAT HAS BEEN APPROVED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT TO 26 PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM AND HAS BEEN ISSUED A CERTIFICATE OF TAX CREDIT PURSUANT TO SECTION FOUR HUNDRED 27 FORTY-THREE OF THE ECONOMIC DEVELOPMENT LAW SHALL BE ALLOWED TO CLAIM A 28 CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE. THE CREDIT SHALL EOUAL 29 FIFTY PERCENT OF A TAXPAYER'S ELIGIBLE TRAINING COSTS, UP TO A CREDIT OF 30 TEN THOUSAND DOLLARS PER EMPLOYEE COMPLETING ELIGIBLE TRAINING 31 PURSUANT 32 PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE ΤO OF THE ECONOMIC DEVELOPMENT LAW. THE CREDIT SHALL EQUAL FIFTY PERCENT 33 THE STIPEND PAID TO AN INTERN, UP TO A CREDIT OF THREE THOUSAND 34 OF 35 DOLLARS PER INTERN COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE 36 37 ECONOMIC DEVELOPMENT LAW. IN NO EVENT SHALL A TAXPAYER BE ALLOWED A 38 CREDIT GREATER THAN THE AMOUNT OF CREDIT LISTED ON THE CERTIFICATE OF TAX CREDIT ISSUED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT. THE CRED-39 40 IT WILL BE ALLOWED IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE TRAINING IS COMPLETED. 41

42 (B) THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR MAY 43 NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE AMOUNT PRESCRIBED 44 IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS 45 ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVI-SION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, OR IF THE 46 47 TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN THAT TAXABLE YEAR WILL BE 48 ANY 49 TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORD-50 ANCE WITH PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS THE CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF 51 SECTION THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST 52 ONE 53 WILL BE PAID THEREON.

54 (C) THE TAXPAYER MAY BE REQUIRED TO ATTACH TO ITS TAX RETURN ITS 55 CERTIFICATE OF TAX CREDIT ISSUED BY THE COMMISSIONER OF ECONOMIC DEVEL-56 OPMENT PURSUANT TO SECTION FOUR HUNDRED FORTY-THREE OF THE ECONOMIC

IN NO EVENT SHALL THE TAXPAYER BE ALLOWED A CREDIT DEVELOPMENT LAW. 1 GREATER THAN THE AMOUNT OF THE CREDIT LISTED IN THE CERTIFICATE OF 2 TAX 3 CREDIT, OR IN THE CASE OF A TAXPAYER WHO IS A PARTNER IN A PARTNERSHIP 4 OR A MEMBER OF A LIMITED LIABILITY COMPANY, ITS PRO RATA SHARE OF THE 5 AMOUNT OF CREDIT LISTED IN THE CERTIFICATE OF TAX CREDIT ISSUED TO THE 6 PARTNERSHIP OR LIMITED LIABILITY COMPANY.

7 3. Section 606 of the tax law is amended by adding a new subsection S 8 (ddd) to read as follows:

9 (DDD) EMPLOYEE TRAINING INCENTIVE PROGRAM TAX CREDIT. (1) A TAXPAYER 10 HAS BEEN APPROVED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT TO THAT PARTICIPATE IN THE EMPLOYEE TRAINING 11 INCENTIVE PROGRAM AND HAS BEEN ISSUED A CERTIFICATE OF TAX CREDIT PURSUANT TO SECTION FOUR HUNDRED 12 FORTY-THREE OF THE ECONOMIC DEVELOPMENT LAW SHALL BE ALLOWED TO CLAIM A 13 14 CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE. THE CREDIT SHALL EQUAL FIFTY PERCENT OF A TAXPAYER'S ELIGIBLE TRAINING COSTS, UP TO A CREDIT OF 15 16 TEN THOUSAND DOLLARS PER EMPLOYEE COMPLETING ELIGIBLE TRAINING PURSUANT PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE 17 ТΟ OF THE ECONOMIC DEVELOPMENT LAW. THE CREDIT SHALL EOUAL FIFTY PERCENT 18 19 OF THESTIPEND PAID TO AN INTERN, UP TO A CREDIT OF THREE THOUSAND 20 DOLLARS PER INTERN COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH 21 OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE (B) ECONOMIC DEVELOPMENT LAW. IN NO EVENT SHALL A TAXPAYER BE 22 ALLOWED A CREDIT GREATER THAN THE AMOUNT LISTED ON THE CERTIFICATE OF TAX CREDIT 23 24 ISSUED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT. IN THE CASE OF Α 25 TAXPAYER WHO IS A PARTNER IN A PARTNERSHIP, MEMBER OF A LIMITED LIABIL-SHALL 26 ITY COMPANY OR SHAREHOLDER IN AN S CORPORATION, THE TAXPAYER ΒE ALLOWED ITS PRO RATA SHARE OF THE CREDIT EARNED BY THE PARTNERSHIP, 27 LIMITED LIABILITY COMPANY OR S CORPORATION. THE CREDIT WILL BE ALLOWED 28 29 IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE TRAINING IS COMPLETED.

(2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY 30 TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR THE TAXABLE YEAR, THE EXCESS 31 32 SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS 33 ARTICLE, PROVIDED, HOWEVER, NO INTEREST WILL BE PAID THEREON. 34

4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 35 S of the tax law is amended by adding a new clause (xlii) to read as 36 37 follows:

38 (XLII) EMPLOYEE TRAINING INCENTIVE AMOUNT OF CREDIT UNDER 39 PROGRAM CREDIT UNDER

40 SUBSECTION (DDD)

SUBDIVISION FIFTY OF SECTION TWO HUNDRED TEN-B

S 5. This act shall take effect immediately and shall apply to taxable 41 years beginning on or after January 1, 2015 and eligible training costs 42 43 incurred on or after the effective date of this act.

44

### PART P

45 Section 1. Paragraph (b) of subdivision 1 of section 186-c of the tax 46 law, as amended by section 65 of part A of chapter 59 of the laws of 2014, is amended to read as follows: 47

48 (b) (1) In addition to the surcharge imposed by paragraph (a) of this 49 subdivision, there is hereby imposed a surcharge on the gross receipts from telecommunication services, EXCEPT FOR THE GROSS RECEIPTS FROM 50 MOBILE TELECOMMUNICATION SERVICES THAT ARE SUBJECT TO TAX UNDER SUBPARA-51 52 GRAPH TWO OF THIS PARAGRAPH, relating to the metropolitan commuter 53 transportation district at the rate of seventeen percent of the state tax rate under section one hundred eighty-six-e of this article. All the 54

definitions and other provisions of section one hundred eighty-six-e of 1 2 this article shall apply to the tax imposed by this [paragraph] SUBPARA-3 GRAPH with such modification and limitation as may be necessary (includ-4 inq substituting the words "metropolitan commuter transportation 5 district" for "state" where appropriate) in order to adapt the language 6 such section one hundred eighty-six-e of this article to the of 7 surcharge imposed by this [paragraph] SUBPARAGRAPH within such metropol-8 itan commuter transportation district so as to include [(1)] (I) any intra-district telecommunication services[, except any telecommunication 9 10 services the gross receipts from which are subject to tax under subpara-11 graph four of this paragraph], [(2)] (II) any inter-district telecommu-12 nication services which originate or terminate in such district and are 13 charged to a service address therein regardless of where the amounts 14 charged for such services are billed or ultimately paid[, except any 15 telecommunications services the gross receipts from which are subject to tax under subparagraph four of this paragraph], [(3)] AND (III) as apportioned to such district, private telecommunication services[, 16 17 18 except any telecommunication services the gross receipts from which are subject to tax under subparagraph four of this paragraph, and (4) mobile 19 20 telecommunications service provided by a home service provider where the 21 place of primary use is within such metropolitan commuter transportation 22 district]. Provided however, such tax surcharge shall be calculated as 23 the tax imposed under section one hundred eighty-six-e of this artiif 24 cle were imposed at a rate of three and one-half percent.

25 (2) IN ADDITION TO THE SURCHARGE IMPOSED BY PARAGRAPH (A) OF THIS THERE 26 SUBDIVISION, IS HEREBY IMPOSED A SURCHARGE ON THE GROSS RECEIPTS 27 FROM MOBILE TELECOMMUNICATION SERVICES RELATING ТΟ THE METROPOLITAN 28 TRANSPORTATION DISTRICT AT THE OF SEVEN-TENTHS COMMUTER RATE AND 29 TWO-HUNDREDTHS AND ONE-THOUSANDTH PERCENT ON AND AFTER MAY FIRST, TWO ALL THE DEFINITIONS AND OTHER PROVISIONS OF SECTION 30 THOUSAND FIFTEEN. ONE HUNDRED EIGHTY-SIX-E OF THIS ARTICLE SHALL APPLY TO THE TAX 31 IMPOSED 32 THIS SUBPARAGRAPH WITH SUCH MODIFICATION AND LIMITATION AS MAY BE ΒY 33 (INCLUDING SUBSTITUTING NECESSARY THEWORDS "METROPOLITAN COMMUTER 34 TRANSPORTATION DISTRICT" FOR "STATE" WHERE APPROPRIATE) IN ORDER TO 35 ADAPT THE LANGUAGE OF SUCH SECTION ONE HUNDRED EIGHTY-SIX-E OF THIS ARTICLE TO THE SURCHARGE IMPOSED BY THIS SUBPARAGRAPH WITHIN SUCH METRO-36 37 POLITAN COMMUTER TRANSPORTATION DISTRICT SO AS TO INCLUDE ANY MOBILE 38 TELECOMMUNICATIONS SERVICE PROVIDED BY A HOME SERVICE PROVIDER WHERE THE 39 MOBILE TELECOMMUNICATIONS CUSTOMER'S PLACE OF PRIMARY USE IS WITHIN SUCH 40 METROPOLITAN COMMUTER TRANSPORTATION DISTRICT.

S 2. Paragraph (a) of subdivision 2 of section 186-e of the tax law, as amended by section 4 of part S of chapter 85 of the laws of 2002, is amended to read as follows:

44 (a) (1) There is hereby imposed an excise tax on the sale of telecom-45 munication services, EXCEPT FOR THE SALE OF MOBILE TELECOMMUNICATION SERVICES THAT ARE SUBJECT TO TAX UNDER SUBPARAGRAPH TWO OF THIS PARA-46 47 by any person which is a provider of telecommunication services, GRAPH, 48 to be paid by such person, at the rate of three and one-half percent prior to October first, nineteen hundred ninety-eight, three and one-49 50 quarter percent from October first, nineteen hundred ninety-eight 51 through December thirty-first, nineteen hundred ninety-nine, and two and one-half percent on and after January first, two thousand of gross receipt from: [(1)] (I) any intrastate telecommunication services[, 52 53 54 except any telecommunication services the gross receipt from which is 55 subject to tax under subparagraph four of this paragraph]; [(2)] (II)56 any interstate and international telecommunication services (other than

interstate and international private telecommunication services [and any 1 2 telecommunication services the gross receipt from which is subject to 3 tax under subparagraph four of this paragraph]) which originate or 4 terminate in this state and which telecommunication services are charged 5 to a service address in this state, regardless of where the amounts 6 charged for such services are billed or ultimately paid; [(3)] AND (III) 7 interstate and international private telecommunication services, the gross receipt to which the tax shall apply shall be determined as 8 prescribed in subdivision three of this section[, except any telecommu-9 10 nication services the gross receipt from which is subject to tax under subparagraph four of this paragraph; and (4) mobile telecommunications 11 service provided by a home service provider where the mobile telecommu-12 13 nications customer's place of primary use is within this state].

14 (2) THERE IS HEREBY IMPOSED AN EXCISE TAX ON THE SALE OF MOBILE TELE-15 COMMUNICATION SERVICES, BY ANY PERSON WHICH IS A PROVIDER OF TELECOMMU-NICATION SERVICES, TO BE PAID BY SUCH PERSON, AT THE RATE OF TWO AND NINE-TENTHS PERCENT ON AND AFTER MAY FIRST, TWO THOUSAND FIFTEEN OF 16 17 18 GROSS RECEIPTS FROM ANY MOBILE TELECOMMUNICATIONS SERVICE PROVIDED BY A 19 HOME SERVICE PROVIDER WHERE THE MOBILE TELECOMMUNICATIONS CUSTOMER'S 20 PLACE OF PRIMARY USE IS WITHIN THIS STATE.

21 S 3. Section 186-e of the tax law is amended by adding a new subdivi-22 sion 9 to read as follows:

23 9. DISTRIBUTION. SEVEN AND SIX-TENTHS PERCENT OF THE MONIES COLLECTED FROM THE EXCISE TAX IMPOSED BY THIS SECTION SHALL BE DISTRIBUTED 24 PURSU-25 ANT TO SUBDIVISION THREE OF SECTION TWO HUNDRED FIVE OF THIS CHAPTER.

26 s 4. Severability. If any provision of this act shall for any reason 27 be finally adjudged by any court of competent jurisdiction to be inval-28 id, such judgment shall not affect, impair, or invalidate the remainder 29 of this act, but shall be confined in its operation to the provision directly involved in the controversy in which such judgment shall have 30 been rendered. It is hereby declared to be the intent of the legislature 31 32 that this act would have been enacted even if such invalid provision had 33 not been included in this act. Provided further, if a court of final, competent jurisdiction adjudges the tax rates imposed on the sale of mobile telecommunication services, by any person which is a provider of 34 35 telecommunication services, pursuant to subparagraph (2) of paragraph 36 37 (a) of subdivision 2 of section 186-e of the tax law, to be invalid as 38 imposed on the sale of such services, such tax rates shall be imposed on 39 the sale of all telecommunication services, including the sale of mobile 40 telecommunication services.

This act shall take effect immediately and shall apply to gross 41 S 5. receipts from mobile telecommunication services received on and after 42 1, 2015, and shall apply, for purposes of subdivision 9 of section 43 May 44 186-e of the tax law, as added by section three of this act, to monies 45 collected from the excise tax imposed by section 186-e of the tax law on the sale of mobile telecommunication services on and after May 1, 2015. 46

- 47 PART Q Intentionally Omitted 48 49
  - PART R
- 50 Intentionally Omitted

# PART S

2 Section 1. Paragraph (r) of section 104-A of the business corporation 3 law, as amended by chapter 172 of the laws of 2000, is amended to read 4 as follows:

5 (r) For filing a statement or amendment pursuant to section four 6 hundred eight of this chapter WITH THE DEPARTMENT OF STATE, nine THIS FEE SHALL NOT APPLY TO STATEMENTS SUBMITTED THROUGH THE 7 dollars. 8 DEPARTMENT OF TAXATION AND FINANCE PURSUANT TO PARAGRAPH EIGHT OF 9 SECTION FOUR HUNDRED EIGHT OF THIS CHAPTER.

10 S 2. Paragraphs (b) and (c) of section 306-A of the business corpo-11 ration law, as added by chapter 469 of the laws of 1997, are amended to 12 read as follows:

13 (b) Upon the failure of the designating corporation to file a certif-14 icate of amendment or change providing for the designation by the corpo-15 ration of the new address after the filing of a certificate of resigna-16 tion for receipt of process with the secretary of state, its authority 17 to do business in this state shall be suspended unless the corporation has previously filed a statement [of addresses and directors] under section four hundred eight of this chapter, IN WHICH CASE the address of 18 19 20 the principal executive office stated in the last filed statement [of 21 addresses and directors], shall constitute the new address for process 22 of the corporation PROVIDED SUCH ADDRESS IS DIFFERENT FROM THE PREVIOUS 23 ADDRESS FOR PROCESS, and the corporation shall not be deemed suspended.

(c) The filing by the department of state of a certificate of amendment or change OR STATEMENT UNDER SECTION FOUR HUNDRED EIGHT OF THIS
CHAPTER providing for a new address by a designating corporation shall
annul the suspension and its authority to do business in this state
shall be restored and continue as if no suspension had occurred.

29 3. Section 408 of the business corporation law, as added by chapter S 55 of the laws of 1992, the section heading as amended by chapter 375 of 30 31 the laws of 1998, subparagraph (a) of paragraph 1 and paragraph 2 as 32 amended by chapter 172 of the laws of 1999, subparagraph (b) of paragraph 3 as amended by chapter 170 of the laws of 1994, paragraph 6 33 as added by chapter 469 of the laws of 1997, and paragraph 7 as added by 34 35 chapter 172 of the laws of 2000, is amended to read as follows: 36 S 408. [Biennial statement] STATEMENT; filing.

1. [Each] EXCEPT AS PROVIDED IN PARAGRAPH EIGHT OF THIS SECTION, EACH domestic corporation, and each foreign corporation authorized to do business in this state, shall, during the applicable filing period as determined by subdivision three of this section, file a statement setting forth:

(a) The name and business address of its chief executive officer.

(b) The street address of its principal executive office.

44 (c) The post office address within or without this state to which the 45 secretary of state shall mail a copy of any process against it served 46 upon him or her. Such address shall supersede any previous address on 47 file with the department of state for this purpose.

2. [Such] EXCEPT AS PROVIDED IN PARAGRAPH EIGHT OF THIS SECTION, SUCH statement shall be made on forms prescribed by the secretary of state, and the information therein contained shall be given as of the date of the execution of the statement. Such statement shall only request reporting of information required under paragraph one of this section. It shall be signed and delivered to the department of state.

54 3. [For] EXCEPT AS PROVIDED IN PARAGRAPH EIGHT OF THIS SECTION, FOR 55 the purpose of this section the applicable filing period for a corpo-

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ration shall be the calendar month during which its original certificate 1 2 of incorporation or application for authority were filed or the effec-3 tive date thereof if stated. The applicable filing period shall only 4 occur: (a) annually, during the period starting on April 1, 1992 and 5 ending on March 31, 1994; and (b) biennially, during a period starting April 1 and ending on March 31 thereafter. Those corporations that 6 on 7 filed between April 1, 1992 and June 30, 1994 shall not be required to 8 file such statements again until such time as they would have filed, had 9 this subdivision not been amended.

10 4. The provisions of [subdivision eleven of section ninety-six of the 11 executive law and] paragraph (g) of section one hundred four of this 12 chapter shall not be applicable to filings pursuant to this section.

13 The provisions of this section and section 409 of this article 5. 14 shall not apply to a farm corporation. For the purposes of this subdivi-15 sion, the term "farm corporation" shall mean any domestic corporation or 16 foreign corporation authorized to do business in this state under this 17 chapter engaged in the production of crops, livestock and livestock 18 products on land used in agricultural production, as defined in section 19 of the agriculture and markets law. HOWEVER, THIS EXCEPTION SHALL 301 20 NOT APPLY TO FARM CORPORATIONS THAT HAVE FILED STATEMENTS WITHTHE 21 DEPARTMENT OF STATE WHICH HAVE BEEN SUBMITTED THROUGH THE DEPARTMENT OF 22 TAXATION AND FINANCE PURSUANT TO PARAGRAPH EIGHT OF THIS SECTION.

6. No such statement shall be accepted for filing when a certificate of resignation for receipt of process has been filed under section three hundred six-A of this chapter unless the corporation has stated a different address for process which does not include the name of the party previously designated in the address for process in such certificate.

7. A domestic corporation or foreign corporation may amend its statement to change the information required by [subdivisions] SUBPARAGRAPHS (a) and (b) of paragraph one of this section. Such amendment shall be made on forms prescribed by the secretary of state. It shall be signed and delivered to the department of state.

8. (A) THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW CORPORATIONS TO PROVIDE THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SECTION ON TAX REPORTS FILED WITH THE DEPART-MENT OF TAXATION AND FINANCE IN LIEU OF BIENNIAL STATEMENTS. THIS AGREE-MENT MAY APPLY TO TAX REPORTS DUE FOR TAX YEARS STARTING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

40 (B) THE AGREEMENT DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH ΙF IS MADE, EACH CORPORATION REQUIRED TO FILE THE STATEMENT 41 SPECIFIED IN PARAGRAPH ONE OF THIS SECTION THAT IS ALSO SUBJECT TO TAX UNDER ARTICLE 42 43 NINE OR NINE-A OF THE TAX LAW SHALL INCLUDE SUCH STATEMENT ANNUALLY ON 44 ITS TAX REPORT FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU 45 FILING A STATEMENT UNDER THIS SECTION WITH THE DEPARTMENT OF STATE OF 46 AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. 47 EACH CORPORATION REQUIRED TO FILE A STATEMENT UNDER THIS HOWEVER, 48 SECTION MUST CONTINUE TO FILE THE BIENNIAL STATEMENT REQUIRED ΒY THIS 49 SECTION WITH THE DEPARTMENT OF STATE UNTIL THE CORPORATION IN FACT HAS 50 FILED A TAX REPORT WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER THAT TIME, THE CORPORATION 51 SHALL CONTINUE TO DELIVER ANNUALLY THE STATEMENT SPECIFIED IN PARAGRAPH 52 ONE OF THIS SECTION ON ITS TAX REPORT IN LIEU OF THE BIENNIAL STATEMENT 53 54 REQUIRED BY THIS SECTION.

55 (C) IF THE AGREEMENT DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH 56 IS MADE, THE DEPARTMENT OF TAXATION AND FINANCE SHALL DELIVER TO THE

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DEPARTMENT OF STATE FOR FILING THE STATEMENT SPECIFIED IN PARAGRAPH ONE 1 OF THIS SECTION FOR EACH CORPORATION THAT FILES A TAX REPORT CONTAINING 2 3 SUCH STATEMENT. THE DEPARTMENT OF TAXATION AND FINANCE MUST, ТО THE 4 EXTENT FEASIBLE, ALSO INCLUDE THE CURRENT NAME OF THE CORPORATION, 5 DEPARTMENT OF STATE IDENTIFICATION NUMBER FOR SUCH CORPORATION, THE NAME, SIGNATURE AND CAPACITY OF THE SIGNER OF THE STATEMENT, NAME AND 6 7 STREET ADDRESS OF THE FILER OF THE STATEMENT, AND THE EMAIL ADDRESS, IF 8 ANY, OF THE FILER OF THE STATEMENT.

9 S 4. Section 409 of the business corporation law is amended by adding 10 a new paragraph 4 to read as follows:

4. THIS SECTION SHALL NOT APPLY TO CORPORATIONS THAT HAVE SUBMITTED A STATEMENT PURSUANT TO PARAGRAPH EIGHT OF SECTION FOUR HUNDRED EIGHT OF THIS CHAPTER.

14 S 5. Subdivision (e) of section 301 of the limited liability company 15 law, as amended by chapter 643 of the laws of 1995, is amended to read 16 as follows:

17 (e) [Every] (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, EVERY limited liability company to which this chapter applies, shall 18 19 biennially in the calendar month during which its articles of organization or application for authority were filed, or effective date thereof 20 21 if stated, file on forms prescribed by the secretary of state, a state-22 setting forth the post office address within or without this state ment 23 to which the secretary of state shall mail a copy of any process accepted against it served upon him or her. Such address shall supersede 24 25 any previous address on file with the department of state for this 26 purpose.

27 (2) THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW LIMITED LIABILITY COMPANIES TO INCLUDE THE 28 STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION ON TAX REPORTS 29 FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF BIENNIAL 30 STATEMENTS AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF 31 TAXATION IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE YEARS 32 FINANCE. AND 33 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, EACH LIMITED LIABILITY COMPANY REQUIRED TO FILE THE STATEMENT SPECIFIED IN PARAGRAPH 34 ONE OF THIS SUBDIVISION THAT IS SUBJECT TO THE FILING FEE 35 IMPOSED BY PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF 36 37 THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE 38 PAYMENT FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU 39 OF FILING A STATEMENT UNDER THIS SECTION WITH THE DEPARTMENT OF STATE. 40 HOWEVER, EACH LIMITED LIABILITY COMPANY REOUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE THE BIENNIAL STATEMENT REQUIRED 41 BY THIS SECTION WITH THE DEPARTMENT OF STATE UNTIL THE LIMITED LIABILITY 42 43 COMPANY IN FACT HAS FILED A FILING FEE PAYMENT FORM WITH THE DEPARTMENT TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER 44 OF 45 THAT TIME, THE LIMITED LIABILITY COMPANY SHALL CONTINUE TO PROVIDE ANNU-ALLY THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION ON ITS 46 47 FILING FEE PAYMENT FORM IN LIEU OF THE BIENNIAL STATEMENT REQUIRED BY 48 THIS SUBDIVISION.

49 (3) IF THE AGREEMENT DESCRIBED IN PARAGRAPH TWO OF THIS SUBDIVISION IS 50 TAXATION AND FINANCE SHALL DELIVER TO THE MADE, THE DEPARTMENT OF 51 DEPARTMENT OF STATE THE STATEMENT SPECIFIED IN PARAGRAPH ONE THIS OF SUBDIVISION CONTAINED ON FILING FEE PAYMENT FORMS. THE DEPARTMENT OF 52 TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE THE 53 54 CURRENT NAME OF THE LIMITED LIABILITY COMPANY, DEPARTMENT OF STATE IDEN-55 TIFICATION NUMBER FOR SUCH LIMITED LIABILITY COMPANY, THE NAME, SIGNA-56 TURE AND CAPACITY OF THE SIGNER OF THE STATEMENT, NAME AND STREET

ADDRESS OF THE FILER OF THE STATEMENT, AND THE EMAIL ADDRESS, IF ANY, OF 1 2 THE FILER OF THE STATEMENT. 3 S 6. Subdivision (c) of section 301-A of the limited liability company 4 law, as added by chapter 448 of the laws of 1998, is amended to read as 5 follows: 6 (c) The filing by the department of state of a certificate of amend-7 ment or certificate of change OR THE FILING OF A STATEMENT UNDER SECTION 8 THREE HUNDRED ONE OF THIS ARTICLE providing for a new address by a designating limited liability company shall annul the suspension and its 9 10 authority to do business in this state shall be restored and continued 11 as if no suspension had occurred. 12 7. Subdivision (c) of section 1101 of the limited liability company S law is amended to read as follows: 13 14 (c) For the statement of address of the post office address to which 15 the secretary of state shall mail a copy of any process against the limited liability company served upon him or her pursuant to section 16 17 three hundred one of this chapter, nine dollars. THIS FEE SHALL NOT APPLY TO STATEMENTS SUBMITTED THROUGH THE DEPARTMENT OF TAXATION 18 AND 19 FINANCE PURSUANT TO PARAGRAPH TWO OF SUBDIVISION (E) OF SECTION THREE 20 HUNDRED ONE OF THIS CHAPTER. 21 S 8. Subdivision (g) of section 121-1500 of the partnership law, as 22 amended by chapter 643 of the laws of 1995, is amended to read as 23 follows: 24 (g) Each registered limited liability partnership shall, within sixty 25 days prior to the fifth anniversary of the effective date of its regis-26 tration and every five years thereafter, furnish a statement to the department of state setting forth: (i) the name of the registered limit-27 28 ed liability partnership, (ii) the address of the principal office of 29 the registered limited liability partnership, (iii) the post office address within or without this state to which the secretary of state 30 shall mail a copy of any process accepted against it served upon him or 31 her, which address shall supersede any previous address on file with the 32 33 department of state for this purpose, and (iv) a statement that it is eligible to register as a registered limited liability partnership 34 pursuant to subdivision (a) of this section. The statement shall be 35 36 executed by one or more partners of the registered limited liability 37 partnership. The statement shall be accompanied by a fee of twenty dollars IF SUBMITTED DIRECTLY TO THE DEPARTMENT OF STATE. 38 THE COMMIS-39 OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO SIONER 40 ALLOW REGISTERED LIMITED LIABILITY PARTNERSHIPS TO PROVIDE THE STATEMENT SPECIFIED IN THIS SUBDIVISION ON TAX REPORTS FILED WITH THE 41 DEPARTMENT AND FINANCE IN LIEU OF STATEMENTS FILED DIRECTLY WITH THE 42 TAXATION OF SECRETARY OF STATE AND IN A MANNER PRESCRIBED BY THE 43 COMMISSIONER OF 44 TAXATION AND FINANCE. IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE 45 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, EACH REGISTERED LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE THE STATEMENT 46 47 SPECIFIED IN THIS SUBDIVISION THAT IS SUBJECT TO THE FILING FEE IMPOSED 48 ΒY PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT 49 OF THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE 50 FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU PAYMENT OF FILING A STATEMENT UNDER THIS SUBDIVISION WITH 51 THEDEPARTMENT OF STATE. HOWEVER, EACH REGISTERED LIMITED LIABILITY PARTNERSHIP REQUIRED 52 53 TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE A STATEMENT 54 WITH THE DEPARTMENT OF STATE AS REQUIRED BY THIS SECTION UNTIL THE 55 REGISTERED LIMITED LIABILITY PARTNERSHIP IN FACT HAS FILED A FILING FEE 56 PAYMENT FORM WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES

ALL REQUIRED INFORMATION. AFTER THAT TIME, THE REGISTERED LIMITED 1 2 LIABILITY PARTNERSHIP SHALL CONTINUE TO PROVIDE ANNUALLY THE STATEMENT 3 IN THIS SUBDIVISION ON ITS FILING FEE PAYMENT FORM IN LIEU OF SPECIFIED 4 THE STATEMENT REQUIRED BY THIS SUBDIVISION. THE COMMISSIONER OF TAXATION 5 FINANCE SHALL DELIVER THE COMPLETED STATEMENT SPECIFIED IN THIS AND 6 SUBDIVISION TO THE DEPARTMENT OF STATE FOR FILING. THE DEPARTMENT OF 7 TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE IN SUCH 8 DELIVERY THE CURRENT NAME OF THE REGISTERED LIMITED LIABILITY PARTNER-IDENTIFICATION NUMBER FOR SUCH REGISTERED 9 SHIP, DEPARTMENT OF STATE 10 LIMITED LIABILITY PARTNERSHIP, THE NAME, SIGNATURE AND CAPACITY OF THE STATEMENT, NAME AND STREET ADDRESS OF THE FILER OF THE 11 SIGNER OF THE 12 STATEMENT, AND THE EMAIL ADDRESS, IF ANY, OF THE FILER OF THE STATEMENT. If a registered limited liability partnership shall not timely file the 13 14 statement required by this subdivision, the department of state may, upon sixty days' notice mailed to the address of such registered limited 15 16 liability partnership as shown in the last registration or statement or certificate of amendment filed by such registered limited liability 17 partnership, make a proclamation declaring the registration of such 18 19 registered limited liability partnership to be revoked pursuant to this subdivision. The department of state shall file the original proclama-20 tion in its office and shall publish a copy thereof in the state regis-21 22 ter no later than three months following the date of such proclamation. SHALL NOT APPLY TO REGISTERED LIMITED LIABILITY PARTNERSHIPS THAT 23 THIS 24 HAVE FILED A STATEMENT WITH THE DEPARTMENT OF STATE THROUGH THE DEPART-25 MENT OF TAXATION AND FINANCE. Upon the publication of such proclamation 26 in the manner aforesaid, the registration of each registered limited liability partnership named in such proclamation shall be deemed revoked 27 without further legal proceedings. Any registered limited liability 28 29 partnership whose registration was so revoked may file in the department of state a [certificate of consent certifying that either a] statement 30 required by this subdivision [has been filed or accompanies the certif-31 32 icate of consent and all fees imposed under this chapter on the regis-33 tered limited liability partnership have been paid]. The filing of such [certificate of consent] STATEMENT shall have the effect of annulling 34 all of the proceedings theretofore taken for the revocation of the 35 registration of such registered limited liability partnership under this 36 37 subdivision and (1) the registered limited liability partnership shall 38 thereupon have such powers, rights, duties and obligations as it had on the date of the publication of the proclamation, with the same force and 39 40 effect as if such proclamation had not been made or published and (2) such publication shall not affect the applicability of the provisions of 41 subdivision (b) of section twenty-six of this chapter to any debt, obli-42 43 gation or liability incurred, created or assumed from the date of publi-44 cation of the proclamation through the date of the filing of the 45 [certificate of consent. The filing of a certificate of consent shall be accompanied by a fee of fifty dollars and if accompanied by a statement, 46 47 the fee required by this subdivision] STATEMENT WITH THE DEPARTMENT OF 48 STATE. If, after the publication of such proclamation, it shall be 49 determined by the department of state that the name of any registered 50 limited liability partnership was erroneously included in such proclama-51 the department of state shall make appropriate entry on its tion, records, which entry shall have the effect of annulling all of the 52 proceedings theretofore taken for the revocation of the registration of 53 54 such registered limited liability partnership under this subdivision and 55 (A) such registered limited liability partnership shall have such powers, rights, duties and obligations as it had on the date of the 56

publication of the proclamation, with the same force and effect as if 1 2 such proclamation had not been made or published and (B) such publica-3 tion shall not affect the applicability of the provisions of subdivision 4 (b) of section twenty-six of this chapter to any debt, obligation or liability incurred, created or assumed from the date of publication of 5 6 the proclamation through the date of the making of the entry on the 7 records of the department of state. Whenever a registered limited 8 liability partnership WHOSE REGISTRATION WAS REVOKED shall have filed a [certificate of consent] STATEMENT pursuant to this subdivision or if 9 10 the name of a registered limited liability partnership was erroneously included in a proclamation and such proclamation was annulled, the 11 department of state shall publish a notice thereof in the state regis-12 13 ter.

S 9. Paragraph (I) of subdivision (f) of section 121-1502 of the partnership law, as amended by chapter 643 of the laws of 1995 and as designated by chapter 767 of the laws of 2005, is amended to read as follows: (I) Each New York registered foreign limited liability partnership shall, within sixty days prior to the fifth anniversary of the effective date of its notice and every five years thereafter, furnish a statement to the department of state setting forth:

21 (i) the name under which the New York registered foreign limited 22 liability partnership is carrying on or conducting or transacting busi-23 ness or activities in this state, (ii) the address of the principal office of the New York registered foreign limited liability partnership, 24 25 (iii) the post office address within or without this state to which the 26 secretary of state shall mail a copy of any process accepted against it served upon him or her, which address shall supersede any previous 27 28 address on file with the department of state for this purpose, and (iv) 29 statement that it is a foreign limited liability partnership. The а statement shall be executed by one or more partners of the New York 30 registered foreign limited liability partnership. The statement shall be 31 32 accompanied by a fee of fifty dollars IF SUBMITTED DIRECTLY TO THE 33 DEPARTMENT OF STATE. THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW NEW YORK REGISTERED FOREIGN LIMIT-34 35 LIABILITY PARTNERSHIPS TO PROVIDE THE STATEMENT SPECIFIED IN THIS ED AND 36 PARAGRAPH ON TAX REPORTS FILED WITH THE DEPARTMENT OF TAXATION 37 FINANCE IN LIEU OF STATEMENTS FILED DIRECTLY WITH THE SECRETARY OF STATE 38 IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. AND 39 IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE YEARS BEGINNING ON OR 40 TWO THOUSAND SIXTEEN, EACH NEW YORK REGISTERED JANUARY FIRST, AFTER FOREIGN LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE 41 THE STATEMENT SPECIFIED IN THIS PARAGRAPH THAT IS SUBJECT TO THE FILING FEE IMPOSED BY 42 43 PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF 44 THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE 45 PAYMENT FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU 46 OF FILING A STATEMENT UNDER THIS PARAGRAPH DIRECTLY WITH THE DEPARTMENT 47 EACH NEW YORK REGISTERED FOREIGN LIMITED LIABILITY HOWEVER, OF STATE. 48 PARTNERSHIP REQUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTIN-49 UE TO FILE A STATEMENT WITH THE DEPARTMENT OF STATE AS REQUIRED BY THIS 50 SECTION UNTIL THE NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNER-51 IN FACT HAS FILED A FILING FEE PAYMENT FORM WITH THE DEPARTMENT OF SHIP TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER 52 THAT NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP 53 TIME, THE54 SHALL CONTINUE TO PROVIDE ANNUALLY THE STATEMENT SPECIFIED IN THIS PARA-55 GRAPH ON ITS FILING FEE PAYMENT FORM IN LIEU OF FILING THE STATEMENT 56 THIS PARAGRAPH DIRECTLY WITH THE DEPARTMENT OF STATE. THE REOUIRED BY

COMMISSIONER OF TAXATION AND FINANCE SHALL DELIVER THE COMPLETED STATE-1 2 SPECIFIED IN THIS PARAGRAPH TO THE DEPARTMENT OF STATE FOR FILING. MENT 3 THE DEPARTMENT OF TAXATION AND FINANCE MUST, THE то EXTENT FEASIBLE, 4 ALSO INCLUDE INSUCH DELIVERY THE CURRENT NAME OF THE NEW YORK REGIS-5 TERED FOREIGN LIMITED LIABILITY PARTNERSHIP, DEPARTMENT OF STATE IDEN-6 TIFICATION NUMBER FOR SUCH NEW YORK REGISTERED FOREIGN LIMITED LIABILITY 7 PARTNERSHIP, THE NAME, SIGNATURE AND CAPACITY OF THE SIGNER OF THE 8 STATEMENT, NAME AND STREET ADDRESS OF THE FILER OF THE STATEMENT, AND THE EMAIL ADDRESS, IF ANY, OF THE FILER OF THE STATEMENT. If a New York registered foreign limited liability partnership shall not timely file 9 10 the statement required by this subdivision, the department of state may, 11 upon sixty days' notice mailed to the address of such New York regis-12 13 tered foreign limited liability partnership as shown in the last notice 14 statement or certificate of amendment filed by such New York regisor 15 tered foreign limited liability partnership, make a proclamation declaring the status of such New York registered foreign limited liability partnership to be revoked pursuant to this subdivision. THIS SHALL NOT 16 17 APPLY TO NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIPS THAT 18 19 HAVE FILED A STATEMENT WITH THE DEPARTMENT OF STATE THROUGH THE DEPART-20 OF TAXATION AND FINANCE. The department of state shall file the MENT 21 original proclamation in its office and shall publish a copy thereof in the state register no later than three months following the date of such 22 proclamation. Upon the publication of such proclamation in the manner aforesaid, the status of each New York registered foreign limited 23 24 25 liability partnership named in such proclamation shall be deemed revoked 26 without further legal proceedings. Any New York registered foreign limited liability partnership whose status was so revoked may file 27 in the department of state a [certificate of consent certifying that either 28 29 a] statement required by this subdivision [has been filed or accompanies 30 the certificate of consent and all fees imposed under this chapter on the New York registered foreign limited liability partnership have been 31 32 paid]. The filing of such [certificate of consent] STATEMENT shall have 33 the effect of annulling all of the proceedings theretofore taken for the revocation of the status of such New York registered foreign limited 34 liability partnership under this subdivision and (1) the New York regis-35 36 tered foreign limited liability partnership shall thereupon have such 37 powers, rights, duties and obligations as it had on the date of the 38 publication of the proclamation, with the same force and effect as if such proclamation had not been made or published and (2) such publica-39 40 tion shall not affect the applicability of the laws of the jurisdiction governing the agreement under which such New York registered foreign 41 limited liability partnership is operating (including laws governing the 42 43 liability of partners) to any debt, obligation or liability incurred, 44 created or assumed from the date of publication of the proclamation 45 through the date of the filing of the [certificate of consent. The filing of a certificate of consent shall be accompanied by a fee of 46 47 if accompanied by a statement, the fee required by fifty dollars and this subdivision] STATEMENT WITH THE DEPARTMENT OF STATE. If, after the 48 publication of such proclamation, it shall be determined by the depart-ment of state that the name of any New York registered foreign limited 49 50 51 liability partnership was erroneously included in such proclamation, the department of state shall make appropriate entry on its records, which 52 entry shall have the effect of annulling all of the proceedings thereto-53 54 fore taken for the revocation of the status of such New York registered 55 foreign limited liability partnership under this subdivision and (1) such New York registered foreign limited liability partnership shall 56

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have such powers, rights, duties and obligations as it had on the date 1 2 the publication of the proclamation, with the same force and effect of 3 as if such proclamation had not been made or published and such (2) 4 publication shall not affect the applicability of the laws of the jurisdiction governing the agreement under which such New York registered 5 6 foreign limited liability partnership is operating (including laws 7 governing the liability of partners) to any debt, obligation or liabil-8 ity incurred, created or assumed from the date of publication of the proclamation through the date of the making of the entry on the records 9 10 of the department of state. Whenever a New York registered foreign limited liability partnership WHOSE STATUS WAS REVOKED shall have filed 11 12 a [certificate of consent] STATEMENT pursuant to this subdivision or if the name of a New York registered foreign limited liability partnership 13 14 was erroneously included in a proclamation and such proclamation was 15 annulled, the department of state shall publish a notice thereof in the 16 state register. 17 S 10. Subdivision (d) of section 121-1506 of the partnership law, as 18 amended by chapter 172 of the laws of 1999, is amended to read as 19 follows: 20 (d) The filing by the department of state of a certificate of amend-21 ment OR THE FILING OF A STATEMENT providing for a new address by a 22 designating limited liability partnership shall annul the suspension and 23 its authority to do business in this state shall be restored and contin-24 ued as if no suspension had occurred. 25 S 11. Section 192 of the tax law is amended by adding a new subdivi-26 sion 5 to read as follows: 27 NOTWITHSTANDING THE PROVISIONS OF SECTION TWO HUNDRED TWO OF THIS 5. THE28 COMMISSIONER SHALL PROVIDE STATEMENTS ARTICLE, THEAND OTHER 29 REOUIRED INFORMATION REQUESTED ON TAX REPORTS UNDER SECTION FOUR HUNDRED THE BUSINESS CORPORATION LAW TO THE SECRETARY OF STATE FOR 30 EIGHT OF FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY OR IMAGE OF THAT 31 PORTION THE REPORT SOLELY PERTINENT TO SUCH INFORMATION TO THE EXTENT FEASI-32 OF 33 BLE. THE COMMISSIONER MAY ALSO PROVIDE INFORMATION ON NONCOMPLIANCE. 34 S 12. Section 211 of the tax law is amended by adding a new subdivi-35 sion 15 to read as follows: NOTWITHSTANDING PROVISIONS OF 36 15. THE SUBDIVISION EIGHT OF THIS 37 SECTION, THE COMMISSIONER SHALL PROVIDE THE STATEMENTS AND OTHER 38 REQUIRED INFORMATION REQUESTED ON TAX REPORTS UNDER SECTION FOUR HUNDRED 39 EIGHT OF THEBUSINESS CORPORATION LAW TO THE SECRETARY OF STATE FOR 40 FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY OR IMAGE OF THAT PORTION THE REPORT SOLELY PERTINENT TO SUCH INFORMATION TO THE EXTENT FEASI-41 OF BLE. THE COMMISSIONER ANY ALSO PROVIDE INFORMATION ON NONCOMPLIANCE. 42 43 S 13. Paragraph 3 of subsection (c) of section 658 of the tax law is 44 amended by adding a new subparagraph (E) to read as follows: 45 (E) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (E) OF SECTION SIX HUNDRED NINETY-SEVEN OF THIS ARTICLE, THE COMMISSIONER SHALL PROVIDE THE 46 STATEMENTS AND OTHER REQUIRED INFORMATION INCLUDED ON 47 THE FILING FEE 48 PAYMENT FORM UNDER SECTION THREE HUNDRED ONE OF THE LIMITED LIABILITY 49 COMPANY LAW, SUBDIVISION (G) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, 50 AND SUBDIVISION (F) OF SECTION 121-1502 OF THE PARTNERSHIP LAW, ТΟ THE 51 STATE FOR FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY SECRETARY OF OR IMAGE OF THAT PORTION OF THE REPORT SOLELY PERTINENT TO SUCH INFORMA-52 TION TO THE EXTENT FEASIBLE. THE COMMISSIONER MAY ALSO PROVIDE 53 INFORMA-54 TION ON NONCOMPLIANCE. 55 S 14. Section 1085 of the tax law is amended by adding a new 56 subsection (v) to read as follows:

(V) FAILURE TO SUPPLY ALL THE INFORMATION REQUIRED OR TO PROVIDE 1 2 CORRECT INFORMATION IN SECRETARY OF STATE STATEMENTS. UNLESS IT IS SHOWN 3 FAILURE TO PROVIDE THE STATEMENT AND INFORMATION REQUIRED BY THAT SUCH 4 SECTION FOUR HUNDRED EIGHT OF THE BUSINESS CORPORATION LAW IS DUE TΟ 5 REASONABLE CAUSE AND NOT TO WILLFUL NEGLECT, THERE SHALL, UPON NOTICE 6 AND DEMAND BY THE COMMISSIONER AND IN THE SAME MANNER AS TAX, BE PAID BY 7 THE TAXPAYER FAILING TO SUPPLY COMPLETE AND CORRECT INFORMATION, A 8 PENALTY OF TWO HUNDRED FIFTY DOLLARS PER CORPORATION REQUIRED TO PROVIDE 9 SUCH INFORMATION.

10 S 15. Section 685 of the tax law is amended by adding a new subsection 11 (dd) to read as follows:

12 (DD) FAILURE ΤO SUPPLY ALL THE INFORMATION REOUIRED OR TO PROVIDE CORRECT INFORMATION IN SECRETARY OF STATE STATEMENTS. UNLESS IT IS SHOWN 13 14 THAT SUCH FAILURE TO PROVIDE THE STATEMENT AND INFORMATION REQUIRED BY SUBDIVISION (E) OF SECTION THREE HUNDRED ONE OF THE LIMITED LIABILITY 15 COMPANY LAW, SUBDIVISION (G) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, 16 AND SUBDIVISION (F) OF SECTION 121-1502 OF THE PARTNERSHIP LAW IS DUE TO 17 REASONABLE CAUSE AND NOT TO WILLFUL NEGLECT, THERE SHALL, UPON NOTICE 18 19 AND DEMAND BY THE COMMISSIONER AND IN THE SAME MANNER AS TAX, BE PAID BY 20 THE ENTITY FAILING TO SUPPLY COMPLETE AND CORRECT INFORMATION, A PENALTY 21 OF TWO HUNDRED AND FIFTY DOLLARS PER LIMITED LIABILITY COMPANY, REGIS-TERED LIMITED LIABILITY PARTNERSHIP OR NEW YORK REGISTERED FOREIGN 22 LIMITED LIABILITY PARTNERSHIP REQUIRED TO PROVIDE SUCH INFORMATION ON 23 24 ITS FILING FEE PAYMENT FORM. 25 S 16. This act shall take effect immediately.

26

# PART T

27 Section 1. Paragraph (a) of subdivision 5 of section 208 of the tax 28 law, as amended by section 4 of part A of chapter 59 of the laws of 29 2014, is amended to read as follows:

30 (a) The term "investment capital" means investments in stocks that (I) SATISFY THE DEFINITION OF A CAPITAL ASSET UNDER SECTION 1221 OF THE 31 INTERNAL REVENUE CODE AT ALL TIMES THE TAXPAYER OWNED SUCH STOCK DURING 32 THE TAXABLE YEAR, (II) are held by the taxpayer FOR INVESTMENT for 33 more than [six consecutive months but are not] ONE YEAR, (III) THE DISPOSI-34 TIONS OF WHICH ARE, OR WOULD BE, TREATED BY THE TAXPAYER AS GENERATING 35 36 LONG-TERM CAPITAL GAINS OR LOSSES UNDER THE INTERNAL REVENUE CODE, (IV) FOR STOCKS ACQUIRED ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, AT 37 38 TIME AFTER THE CLOSE OF THE DAY IN WHICH THEY ARE ACQUIRED, HAVE ANY 39 NEVER BEEN held for sale to customers in the regular course of business[, or, if the taxpayer makes the election provided for in subpara-40 41 graph one of paragraph (a) of subdivision five of section two hundred 42 ten-A of this article, are not qualified financial instruments as 43 described in subdivision five of section two hundred ten-A of this article], AND (V) BEFORE THE CLOSE OF THE DAY ON WHICH THE STOCK WAS 44 45 ACQUIRED, ARE CLEARLY IDENTIFIED IN THE TAXPAYER'S RECORDS AS STOCK HELD INVESTMENT IN THE SAME MANNER AS REQUIRED UNDER SECTION 1236(A)(1) 46 FOR 47 OF THE INTERNAL REVENUE CODE FOR THE STOCK OF A DEALER IN SECURITIES TO 48 BE ELIGIBLE FOR CAPITAL GAIN TREATMENT (WHETHER OR NOT THE TAXPAYER IS A DEALER OF SECURITIES SUBJECT TO SECTION 1236), PROVIDED, HOWEVER, THAT 49 FOR STOCK ACQUIRED PRIOR TO OCTOBER FIRST, TWO THOUSAND FIFTEEN THAT WAS 50 NOT SUBJECT TO SECTION 1236(A) OF THE INTERNAL REVENUE CODE, SUCH IDEN-51 52 TIFICATION IN THE TAXPAYER'S RECORDS MUST OCCUR BEFORE OCTOBER FIRST, 53 TWO THOUSAND FIFTEEN. Stock in a corporation that is conducting a unitary business with the taxpayer, stock in a corporation that is 54

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included in a combined report with the taxpayer pursuant to the commonly 1 2 owned group election in subdivision three of section two hundred ten-C 3 this article, and stock issued by the taxpayer shall not constitute of investment capital. For purposes of this subdivision, if the taxpayer 4 owns or controls, directly or indirectly, less than twenty percent of the voting power of the stock of a corporation, that corporation will be 5 6 7 presumed to be conducting a business that is not unitary with the busi-8 ness of the taxpayer.

9 S 2. Paragraph (d) of subdivision 5 of section 208 of the tax law, as 10 added by section 4 of part A of chapter 59 of the laws of 2014, is 11 amended to read as follows:

12 (d) If a taxpayer acquires stock THAT IS A CAPITAL ASSET UNDER SECTION 1221 OF THE INTERNAL REVENUE CODE during the [second half of its] taxa-13 14 year and owns that stock on the last day of the taxable year, it ble 15 will be presumed, SOLELY FOR PURPOSES OF DETERMINING WHETHER THAT STOCK 16 SHOULD BE CLASSIFIED AS INVESTMENT CAPITAL AFTER IT IS ACQUIRED, that 17 the taxpayer held that stock for more than [six consecutive months during the taxable] ONE year. However, if the taxpayer does not in fact 18 19 [hold] OWN that stock [for more than six consecutive months,] AT THE 20 TIME IT ACTUALLY FILES ITS ORIGINAL REPORT FOR THE TAXABLE YEAR IN WHICH 21 ACQUIRED THE STOCK, THEN THE PRESUMPTION IN THE PRECEDING SENTENCE IΤ 22 SHALL NOT APPLY AND THE ACTUAL PERIOD OF TIME DURING WHICH THE TAXPAYER 23 OWNED THE STOCK SHALL BE USED TO DETERMINE WHETHER THE STOCK SHOULD BE CLASSIFIED AS INVESTMENT CAPITAL AFTER IT IS ACQUIRED. IF 24 THETAXPAYER 25 PRESUMPTION IN THE FIRST SENTENCE OF THIS PARAGRAPH BUT RELIES THE ON 26 DOES NOT OWN THE STOCK FOR MORE THAN ONE YEAR, the taxpayer must 27 increase its total business capital in the immediately succeeding taxa-28 ble year by the amount included in investment capital for that stock, 29 of any liabilities attributable to that stock computed as provided net in paragraph (b) of this subdivision and must increase its business 30 income in the immediately succeeding taxable year by the amount of 31 32 income and net gains (but not less than zero) from that stock included 33 in investment income, less any interest deductions directly or indirectly attributable to that stock, as provided in subdivision six of this 34 35 section.

36 S 3. Paragraph (e) of subdivision 5 of section 208 of the tax law, as 37 added by section 4 of part A of chapter 59 of the laws of 2014, is 38 amended to read as follows:

(e) When income or gain from a debt obligation or other security cannot be apportioned to the state using the [business allocation percentage] APPORTIONMENT FACTOR DETERMINED UNDER SECTION TWO HUNDRED TEN-A OF THIS ARTICLE as a result of United States constitutional principles, the debt obligation or other security will be included in investment capital.

45 S 4. Paragraph (f) of subdivision 5 of section 208 of the tax law is 46 REPEALED.

S 5. Paragraphs (a) and (b) of subdivision 6 of section 208 of the tax law, paragraph (a) as amended and paragraph (b) as added by section 4 of part A of chapter 59 of the laws of 2014, are amended to read as follows:

(a) (I) The term "investment income" means income, including capital gains in excess of capital losses, from investment capital, to the extent included in computing entire net income, less, [(i)] in the discretion of the commissioner, any interest deductions allowable in computing entire net income which are directly or indirectly attributbe able to investment capital or investment income, [and (ii) the taxpay-

er's loss, deduction and/or expense attributable to any transaction, or 1 2 series of transactions, entered into to manage the risk of price changes 3 or currency fluctuations with respect to any item of investment capital 4 that is held or to be held by the taxpayer, or the aggregate investment capital that is held or to be held by the taxpayer, if all of the risk, 5 6 all but a de minimis amount of the risk, is with respect to investor 7 ment capital,] provided, however, that in no case shall investment 8 income exceed entire net income. (II) If the amount OF INTEREST DEDUCTIONS subtracted under subparagraph (i) [or subparagraph (ii)] 9 of 10 this paragraph [or under both of those subparagraphs] exceeds investment 11 income, the excess of such amount over investment income must be added 12 back to entire net income. (III) IF THE TAXPAYER ' S INVESTMENT INCOME 13 WITHOUT REGARD TO THE INTEREST DEDUCTIONS SUBTRACTED UNDER DETERMINED 14 SUBPARAGRAPH (I) OF THIS PARAGRAPH COMPRISES MORE THAN EIGHT PERCENT OF 15 THE TAXPAYER'S ENTIRE NET INCOME, INVESTMENT INCOME DETERMINED WITHOUT 16 REGARD TO SUCH INTEREST DEDUCTIONS CANNOT EXCEED EIGHT PERCENT OF THE 17 TAXPAYER'S ENTIRE NET INCOME.

18 In lieu of subtracting from investment income the amount of those (b) 19 interest deductions, the taxpayer may [elect] MAKE A REVOCABLE ELECTION 20 investment income, DETERMINED AFTER APPLYING THE to reduce its total LIMITATION IN SUBPARAGRAPH (III) OF PARAGRAPH (A) OF THIS SUBDIVISION, 21 22 by forty percent. If the taxpayer makes this election, the taxpayer must also make the elections provided for in paragraphs (b) and (c) of subdi-23 vision six-a of this section. IF THE TAXPAYER SUBSEQUENTLY REVOKES THIS 24 25 ELECTION, THE TAXPAYER MUST REVOKE THE ELECTIONS PROVIDED FOR IN PARA-26 GRAPHS (B) AND (C) OF SUBDIVISION SIX-A OF THIS SECTION. A taxpayer [which] THAT does not make this election because it has no investment 27 capital will not be precluded from making those other elections. 28

29 S 5-a. Paragraphs (b) and (c) of subdivision 6-a of section 208 of the 30 tax law, as added by section 4 of chapter 59 of the laws of 2014, are 31 amended to read as follows:

32 (b) "Exempt CFC income" means the income required to be included in 33 the taxpayer's federal gross income pursuant to subsection (a) of 34 section 951 of the internal revenue code, received from a corporation 35 that is conducting a unitary business with the taxpayer but is not included in a combined report with the taxpayer, less, in the discretion 36 37 of the commissioner, any interest deductions directly or indirectly 38 attributable to that income. In lieu of subtracting from its exempt CFC 39 income the amount of those interest deductions, the taxpayer may [elect] 40 MAKE A REVOCABLE ELECTION to reduce its total exempt CFC income by forty percent. If the taxpayer makes this election, the taxpayer must also make the elections provided for in paragraph (b) of subdivision six of 41 42 43 this section and paragraph (c) of this subdivision. IF TAXPAYER THE 44 SUBSEQUENTLY REVOKES THIS ELECTION, THE TAXPAYER MUST REVOKE THE 45 ELECTIONS PROVIDED FOR IN PARAGRAPH (B) OF SUBDIVISION SIX OF THIS SECTION AND PARAGRAPH (C) OF THIS SUBDIVISION. A taxpayer which does not 46 47 election because it has no exempt CFC income will not be this make 48 precluded from making those other elections.

49 (c) "Exempt unitary corporation dividends" means those dividends from 50 corporation that is conducting a unitary business with the taxpayer а 51 but is not included in a combined report with the taxpayer, less, in the 52 discretion of the commissioner, any interest deductions directly or 53 indirectly attributable to such income. Other than dividend income 54 received from corporations that are taxable under a franchise tax 55 imposed by article nine or article thirty-three of this chapter or would 56 be taxable under a franchise tax imposed by article nine or article

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thirty-three of this chapter if subject to tax, in lieu of subtracting 1 2 income those interest deductions, the taxpayer may from this dividend 3 [elect] MAKE A REVOCABLE ELECTION to reduce the total amount of this 4 dividend income by forty percent. If the taxpayer makes this election, 5 the taxpayer must also make the elections provided for in paragraph (b) 6 subdivision six of this section and paragraph (b) of this subdiviof 7 sion. IF THE TAXPAYER SUBSEQUENTLY REVOKES THIS ELECTION, TAXPAYER THE8 MUST ALSO REVOKE THE ELECTIONS PROVIDED FOR IN PARAGRAPH (B) OF SUBDIVI-SECTION AND PARAGRAPH (B) OF THIS SUBDIVISION. A 9 SIX OF THIS SION 10 taxpayer which does not make this election because it has not received any exempt unitary corporation dividends or is precluded from making 11 12 this election for dividends received from corporations taxable under a franchise tax imposed by article nine or article thirty-three of this 13 14 chapter or would be taxable under a franchise tax imposed by article 15 nine or article thirty-three of this chapter if subject to tax will not 16 be precluded from making those other elections.

17 S 5-b. Clause (i) of subparagraph 5 of paragraph (a) of subdivision 9 18 of section 208 of the tax law, as amended by section 4 of part A of 19 chapter 59 of the laws of 2014, is amended to read as follows:

20 (i) any refund or credit of a tax imposed under this article, article 21 twenty-three, or former article thirty-two of this chapter, for which tax no exclusion or deduction was allowed in determining the taxpayer's 22 23 entire net income under this article, article twenty-three, or former 24 article thirty-two of this chapter for any prior year, OR (ii) [a refund 25 or credit of general corporation tax allowed by subdivision eleven of the administrative code of the city of New York, or 26 section 11-604 of 27 (iii)] any refund or credit of a tax imposed under sections one hundred 28 eighty-three, one hundred eighty-three-a, one hundred eighty-four or one 29 hundred eighty-four-a of this chapter[, and];

S 6. Subclause (ii) of clause (B) of subparagraph 1 of paragraph (r) of subdivision 9 of section 208 of the tax law, as added by section 4 of part A of chapter 59 of the laws of 2014, is amended to read as follows: (ii) Measurement of assets. FOR PURPOSES OF THIS PARAGRAPH: (I) Total

(ii) Measurement of assets. FOR PURPOSES OF THIS PARAGRAPH: (I) Total
 assets are those assets that are properly reflected on a balance sheet,
 computed in the same manner as is required by the banking regulator of
 the taxpayers included in the combined return.

(II) Assets will only be included if the income or expenses of which are properly reflected (or would have been properly reflected if not fully depreciated or expensed, or depreciated or expensed to a nominal amount) in the computation of the combined group's entire net income for the taxable year. Assets will not include deferred tax assets and intangible assets identified as "goodwill".

(III) Tangible real and personal property, such as buildings, land, machinery, and equipment shall be valued at cost. Leased assets will be valued at the annual lease payment multiplied by eight. Intangible property, such as loans and investments, shall be valued at book value exclusive of reserves.

48 (IV) Intercorporate stockholdings and bills, notes and accounts 49 receivable, and other intercorporate indebtedness between the corpo-50 rations included in the combined report shall be eliminated.

51 (V) Average assets are computed using the assets measured on the first 52 day of the taxable year, and on the last day of each subsequent quarter 53 of the taxable year or month or day during the taxable year.

54 S 7. Clause (B) of subparagraph 2 and clause (B) of subparagraph 2-a 55 of paragraph (s) of subdivision 9 of section 208 of the tax law, as 1 added by section 4 of part A of chapter 59 of the laws of 2014, are 2 amended to read as follows:

3 (B) The average value during the taxable year of the assets of the 4 taxpayer, or, IF THE TAXPAYER IS INCLUDED IN A COMBINED REPORT, the 5 assets of the combined reporting group of the taxpayer under section two 6 hundred ten-C of this article, must not exceed eight billion dollars.

7 (B) The average value during the taxable year of the assets of the 8 taxpayer, or, IF THE TAXPAYER IS INCLUDED IN A COMBINED REPORT, the 9 assets of the combined reporting group of the taxpayer under section two 10 hundred ten-C of this article, must not exceed eight billion dollars.

11 S 8. Paragraph (d) of subdivision 1 of section 209 of the tax law, as 12 added by section 5 of part A of chapter 59 of the laws of 2014, is 13 amended to read as follows:

14 (d)(i) A corporation with less than one million dollars but at least 15 ten thousand dollars of receipts within this state in a taxable year is part of a [combined reporting] UNITARY group THAT MEETS THE 16 that 17 OWNERSHIP TEST under section two hundred ten-C of this article is deriv-18 ing receipts from activity in this state if the receipts within this 19 state of the members of the [combined reporting] UNITARY group that have 20 least ten thousand dollars of receipts within this state in the at 21 aggregate meet the threshold set forth in paragraph (b) of this subdivi-22 sion.

23 (ii) A corporation that does not meet any of the thresholds set forth 24 in paragraph (c) of this subdivision but has at least ten customers, or 25 locations, or customers and locations, as described in paragraph (c) of 26 this subdivision, and is part of a [combined reporting] UNITARY group 27 THAT MEETS THE OWNERSHIP TEST under section two hundred ten-C of this 28 article [that] is doing business in this state if the number of custom-29 ers, locations, or customers and locations, within this state of the members of the [combined reporting] UNITARY group that have at least ten 30 locations, or customers and locations, within this state in 31 customers, 32 the aggregate meets any of the thresholds set forth in paragraph (c) of 33 this subdivision.

34 (III) FOR PURPOSES OF THIS PARAGRAPH, ANY CORPORATION DESCRIBED IN 35 PARAGRAPH (C) OF SUBDIVISION TWO OF SECTION TWO HUNDRED TEN-C OF THIS 36 ARTICLE SHALL NOT BE CONSIDERED.

37 S 8-a. Subdivision 2-a of section 209 of the tax law, as amended by 38 section 5 of part A of chapter 59 of the laws of 2014, is amended to 39 read as follows:

40 alien corporation shall not be deemed to be doing business, An 2-a. 41 employing capital, owning or leasing property, [or] maintaining an office in this state, OR DERIVING RECEIPTS FROM ACTIVITY IN THIS STATE, 42 43 for the purposes of this article, if its activities in this state are 44 limited solely to (a) investing or trading in stocks and securities for 45 its own account within the meaning of clause (ii) of subparagraph (A) of paragraph (2) of subsection (b) of section eight hundred sixty-four of 46 47 the internal revenue code or (b) investing or trading in commodities for 48 its own account within the meaning of clause (ii) of subparagraph (B) of 49 paragraph (2) of subsection (b) of section eight hundred sixty-four of 50 the internal revenue code or (c) any combination of activities described in paragraphs (a) and (b) of this subdivision. An alien corporation that 51 under any provision of the internal revenue code is not treated as a 52 "domestic corporation" as defined in section seven thousand seven 53 54 hundred one of such code and has no effectively connected income for the 55 taxable year pursuant to clause (iv) of the opening paragraph of subdivision nine of section two hundred eight of this article shall not be 56

1 subject to tax under this article for that taxable year. For purposes of 2 this article, an alien corporation is a corporation organized under the 3 laws of a country, or any political subdivision thereof, other than the 4 United States, or organized under the laws of a possession, territory or 5 commonwealth of the United States.

6 S 9. Paragraph (d) of subdivision 1 of section 209-B of the tax law, 7 as added by section 7 of part A of chapter 59 of the laws of 2014, is 8 amended to read as follows:

9 (d)(i) A corporation with less than one million dollars but at least 10 ten thousand dollars of receipts within the metropolitan commuter transportation district in a taxable year that is part of a [combined report-11 ing] UNITARY group THAT MEETS THE OWNERSHIP TEST under section two 12 hundred ten-C of this article is deriving receipts from activity in the 13 14 metropolitan commuter transportation district if the receipts within the 15 metropolitan commuter transportation district of the members of the [combined reporting] UNITARY group that have at least ten thousand 16 17 dollars of receipts within the metropolitan commuter transportation 18 district in the aggregate meet the threshold set forth in paragraph (b) 19 of this subdivision.

(ii) A corporation that does not meet any of the thresholds set forth 20 21 paragraph (c) of this subdivision but has at least ten customers, or in 22 locations, or customers and locations, as described in paragraph (c), 23 is part of a [combined reporting] UNITARY group THAT MEETS THE and 24 OWNERSHIP TEST under section two hundred ten-C of this article [that] is 25 doing business in the metropolitan commuter transportation district if 26 the number of customers, locations, or customers and locations, within the metropolitan commuter transportation district of the members of the 27 28 [combined reporting] UNITARY group that have at least ten customers, 29 locations, or customers and locations, within the metropolitan commuter transportation district in the aggregate meets any of the thresholds set 30 31 forth in paragraph (c) of this subdivision.

32 (III) FOR PURPOSES OF THIS PARAGRAPH, ANY CORPORATION DESCRIBED IN 33 PARAGRAPH (C) OF SUBDIVISION TWO OF SECTION TWO HUNDRED TEN-C OF THIS 34 ARTICLE SHALL NOT BE CONSIDERED.

35 S 10. The opening paragraph of paragraph (a) of subdivision 1 of 36 section 210 of the tax law, as amended by section 12 of part A of chap-37 ter 59 of the laws of 2014, is amended to read as follows:

38 For taxable years beginning before January first, two thousand 39 sixteen, the amount prescribed by this paragraph shall be computed at 40 seven and one-tenth percent of the taxpayer's business rate of the income base. For taxable years beginning on or after January first, two 41 thousand sixteen, the amount prescribed by this paragraph shall be six 42 43 and one-half percent of the taxpayer's business income base. The taxpay-44 er's business income base shall mean the portion of the taxpayer's busi-45 ness income [allocated] APPORTIONED within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined 46 47 in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this para-48 graph and in the case of a manufacturer, as defined in subparagraph (vi) 49 50 of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, AND, IN THE 51 CASE OF A QUALIFIED EMERGING TECHNOLOGY COMPANY, AS DEFINED IN 52 SUBPARA-GRAPH (VII) OF THIS PARAGRAPH, THE AMOUNT PRESCRIBED BY THIS PARAGRAPH 53 54 SHALL BE COMPUTED PURSUANT TO SUBPARAGRAPH (VII) OF THIS PARAGRAPH.

1 S 11. Subparagraph (vi) of paragraph (a) of subdivision 1 of section 2 210 of the tax law, as amended by section 12 of part A of chapter 59 of 3 the laws of 2014, is amended to read as follows:

4 (vi) for taxable years beginning on or after January first, two thou-5 sand fourteen, the amount prescribed by this paragraph for a taxpayer 6 which is a qualified New York manufacturer, shall be computed at the rate of zero percent of the taxpayer's business income base. The term 7 8 "manufacturer" shall mean a taxpayer which during the taxable year is principally engaged in the production of goods by manufacturing, proc-9 10 essing, assembling, refining, mining, extracting, farming, agriculture, 11 horticulture, floriculture, viticulture or commercial fishing. However, generation and distribution of electricity, the distribution of 12 the natural gas, and the production of steam associated with the generation 13 14 of electricity shall not be qualifying activities for a manufacturer 15 under this subparagraph. Moreover, IN THE CASE OF A COMBINED REPORT, the combined group shall be considered a "manufacturer" for purposes of this subparagraph only if the combined group during the taxable year is prin-16 17 18 cipally engaged in the activities set forth in this paragraph, or any 19 combination thereof. A taxpayer or, IN THE CASE OF A COMBINED REPORT, a combined group shall be "principally engaged" in activities described 20 21 above if, during the taxable year, more than fifty percent of the gross 22 receipts of the taxpayer or combined group, respectively, are derived 23 from receipts from the sale of goods produced by such activities. In 24 computing a combined group's gross receipts, intercorporate receipts 25 shall be eliminated. A "qualified New York manufacturer" is a manufacturer which has property in New York which is described in CLAUSE (A) OF 26 SUBPARAGRAPH (I) OF PARAGRAPH (B) OF subdivision one of section two hundred ten-B of this article and either (I) the adjusted basis of such 27 28 29 property for federal income tax purposes at the close of the taxable year is at least one million dollars or (II) all of its real and personal property is located in New York. A taxpayer or, in the case of 30 31 32 a combined report, a combined group, that does not satisfy the princi-33 pally engaged test may be a qualified New York manufacturer if the taxpayer or the combined group employs during the taxable year at least 34 35 two thousand five hundred employees in manufacturing in New York and the taxpayer or the combined group has property in the state used in manu-36 facturing, the adjusted basis of which for federal income tax purposes 37 38 at the close of the taxable year is at least one hundred million 39 dollars.

40 S 12. Subparagraph (vii) of paragraph (a) of subdivision 1 of section 41 210 of the tax law, as amended by section 12 of part A of chapter 59 of 42 the laws of 2014, is amended to read as follows:

43 (vii) For a taxpayer that is defined as a qualified emerging technolo-44 company under paragraph (c) of subdivision one of section thirty-one gy 45 hundred two-e of the public authorities law regardless of the ten million dollar limitation expressed in subparagraph one of such para-46 47 graph (c) the AMOUNT PRESCRIBED BY THIS PARAGRAPH SHALL BE COMPUTED AT 48 THE rate [at which the tax is computed in effect for taxable years beginning on or after January first, two thousand thirteen and before January first, two thousand fourteen for such qualified emerging tech-49 50 51 nology companies shall be reduced by nine and two-tenths percent for 52 taxable years commencing on or after January first, two thousand four-53 teen and before January first, two thousand fifteen, twelve and three-54 tenths percent for taxable years commencing on or after January first, 55 two thousand fifteen and before January first, two thousand sixteen, fifteen and four-tenths percent for taxable years commencing on or after 56

January first, two thousand sixteen and before January first, two thou-1 2 sand eighteen, and twenty-five percent for taxable years beginning on or 3 after January first, two thousand eighteen] OF 5.7 PERCENT FOR TAXABLE 4 YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN AND 5 BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, 5.5 PERCENT FOR TAXABLE 6 ON OR AFTER JANUARY FIRST TWO THOUSAND SIXTEEN AND YEARS BEGINNING 7 BEFORE JANUARY FIRST, TWO THOUSAND EIGHTEEN, AND 4.875 PERCENT FOR TAXA-8 BLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND EIGHTEEN.

9 S 13. Item (IV) of subclause 2 of clause (B) of subparagraph (viii) of 10 paragraph (a) of subdivision 1 of section 210 of the tax law, as added 11 by section 12 of part A of chapter 59 of the laws of 2014, is amended to 12 read as follows:

13 (IV) In lieu of the subtraction described in item (III) of this 14 subclause, if the taxpayer so elects, the taxpayer's prior net operating 15 loss conversion subtraction for the tax years beginning on or after January first, two thousand fifteen and before January first, two thou-16 17 sand seventeen shall equal in each year, not more than one-half of its 18 net operating loss conversion subtraction pool UNTIL THE POOL IS 19 EXHAUSTED. IF THE POOL IS NOT EXHAUSTED AT THE END OF SUCH TIME PERIOD, 20 REMAINDER OF THE POOL SHALL BE FORFEITED. The taxpayer shall make THE 21 such REVOCABLE election on its FIRST return for the tax year beginning 22 or after January first, two thousand fifteen and before January on first, two thousand sixteen by the due date for such return (determined 23 24 with regard to extensions).

25 S 14. Subclause 4 of clause (B) of subparagraph (viii) of paragraph 26 (a) of subdivision 1 of section 210 of the tax law, as added by section 27 12 of part A of chapter 59 of the laws of 2014, is amended to read as 28 follows:

29 (4) The prior net operating loss conversion subtraction may be used to reduce the taxpayer's tax on [allocated] THE APPORTIONED business income 30 BASE to the higher of the tax on the capital base under paragraph (b) of 31 32 this subdivision or the fixed dollar minimum under paragraph (d) of this 33 subdivision. [Any] UNLESS THE TAXPAYER HAS MADE THEELECTION PROVIDED IN ITEM (IV) OF SUBCLAUSE TWO OF THIS CLAUSE, ANY amount of unused 34 FOR 35 subtraction shall be carried forward to subsequent tax year or vears until [tax] THE PRIOR NET OPERATING LOSS CONVERSION SUBTRACTION POOL IS 36 37 EXHAUSTED, BUT FOR NO LONGER THAN TWENTY TAXABLE years, OR THETAXABLE 38 YEAR beginning on or after January first, TWO THOUSAND THIRTY-FIVE BUT 39 BEFORE JANUARY FIRST, two thousand thirty-six, WHICHEVER COMES FIRST. 40 amount carried forward shall not be subject to the one-tenth limi-Such 41 tation for the subsequent tax year or years. However, if the taxpayer elects to compute its prior net operating loss conversion subtraction 42 43 pursuant to item (IV) of subclause two of this clause, the taxpayer 44 shall not carry forward any UNUSED amount of such subtraction [beyond 45 its] TO ANY tax year beginning on or after [January first, two thousand sixteen and before] January first, two thousand seventeen. 46

The opening paragraph of subparagraph (ix) of paragraph (a) of 47 15. S 48 subdivision 1 of section 210 of the tax law, as added by section 12 of part A of chapter 59 of the laws of 2014, is amended to read as follows: 49 50 In computing the business income base, a net operating loss deduction 51 shall be allowed. A net operating loss deduction is the amount of net operating loss or losses from one or more taxable years that are carried 52 forward OR CARRIED BACK to a particular [income] TAXABLE year. A net 53 54 operating loss is the amount of a business loss incurred in a particular 55 tax year multiplied by the apportionment factor for that year as determined under section two hundred ten-A of this article. The maximum net 56

operating LOSS deduction that is allowed in a taxable year is the amount that reduces the taxpayer's tax on [allocated] THE APPORTIONED business ncome BASE to the higher of the tax on the capital base or the fixed dollar minimum. Such deduction and loss are determined in accordance with the following:

6 S 16. Clauses 4 and 6 of subparagraph (ix) of paragraph (a) of subdi-7 vision 1 or section 210 of the tax law, as added by section 12 of part A 8 of chapter 59 of the laws of 2014, are amended to read as follows:

9 (4) [A net operating loss may be carried forward to each of the twenty 10 taxable years following the taxable year of the loss. A net operating loss may be carried back to each of the three taxable years preceding 11 taxable year of the loss; provided, however no loss can be carried 12 the back to a tax year prior to a tax year beginning on or after January, 13 14 first, two thousand fifteen. A taxpayer must apply both of these limita-15 tions in computing such net operating loss deduction.] A NET OPERATING LOSS MAY BE CARRIED BACK THREE TAXABLE YEARS PRECEDING THE TAXABLE YEAR 16 17 THE LOSS ("THE LOSS YEAR"). HOWEVER NO LOSS CAN BE CARRIED BACK TO A OF TAXABLE YEAR BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND 18 FIFTEEN. THE 19 LOSS IS FIRST CARRIED TO THE EARLIEST OF THE THREE TAXABLE YEARS. IF IT IS NOT ENTIRELY USED IN THAT YEAR, IT IS CARRIED TO THE SECOND 20 TAXABLE 21 YEAR PRECEDING THE LOSS YEAR, AND ANY REMAINING AMOUNT IS CARRIED TO THE 22 IMMEDIATELY PRECEDING THE LOSS YEAR. ANY UNUSED AMOUNT OF TAXABLE YEAR 23 LOSS THEN REMAINING MAY BE CARRIED FORWARD FOR AS MANY AS TWENTY TAXABLE 24 YEARS FOLLOWING THE LOSS YEAR. LOSSES CARRIED FORWARD ARE CARRIED 25 FIRST TO THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE LOSS YEAR, FORWARD 26 THEN TO THE SECOND TAXABLE YEAR FOLLOWING THE LOSS YEAR, AND THEN TO THE NEXT IMMEDIATELY SUBSEQUENT TAXABLE YEAR OR YEARS UNTIL THE LOSS IS USED 27 UP OR THE TWENTIETH TAXABLE YEAR FOLLOWING THE LOSS YEAR, 28 WHICHEVER 29 COMES FIRST.

30 (6) Where there are two or more [allocated] APPORTIONED net operating 31 losses, or portions thereof, carried BACK OR CARRIED forward to be 32 deducted in one particular tax year from [allocated] APPORTIONED busi-33 ness income, the earliest [allocated] APPORTIONED loss incurred must be 34 applied first.

35 S 17. Subparagraph (ix) of paragraph (a) of subdivision 1 of section 36 210 of the tax law is amended by adding a new clause 7 to read as 37 follows:

38 (7) A TAXPAYER MAY ELECT TO WAIVE THE ENTIRE CARRYBACK PERIOD WITH RESPECT TO A NET OPERATING LOSS. SUCH ELECTION MUST 39 BE MADE ON THE 40 TAXPAYER'S ORIGINAL TIMELY FILED RETURN (DETERMINED WITH REGARD TO EXTENSIONS) FOR THE TAXABLE YEAR OF THE NET OPERATING LOSS FOR WHICH THE 41 ELECTION IS TO BE IN EFFECT. ONCE AN ELECTION 42 IS MADE FOR Α TAXABLE 43 YEAR, IT SHALL BE IRREVOCABLE FOR THAT TAXABLE YEAR. A SEPARATE ELECTION 44 MUST BE MADE FOR EACH LOSS YEAR. THIS ELECTION APPLIES TO ALL MEMBERS OF 45 A COMBINED GROUP.

46 S 18. Paragraph (b) of subdivision 1 of section 210 of the tax law, as 47 amended by section 12 of part A of chapter 59 of the laws of 2014, is 48 amended to read as follows:

(b) Capital base. (1) (I) The amount prescribed by this paragraph shall be computed at .15 percent for each dollar of the taxpayer's total business capital, or the portion thereof [allocated] APPORTIONED within the state as hereinafter provided for taxable years beginning before January first, two thousand sixteen. However, in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be .04 percent until taxable years beginning on or after January first, two thousand twenty. The rate of tax for subsequent

tax years shall be as follows: .125 percent for taxable years beginning 1 2 on or after January first, two thousand sixteen and before January 3 two thousand seventeen; .100 percent for taxable years beginning first, 4 on or after January first, two thousand seventeen and before January first, two thousand eighteen; .075 percent for taxable years beginning 5 6 after January first, two thousand eighteen and before January on or 7 first, two thousand nineteen; .050 percent for taxable years beginning 8 or after January first, two thousand nineteen and before January on first, two thousand twenty; .025 percent for taxable years beginning on 9 10 after January first, two thousand twenty and before January first, or 11 two thousand twenty-one; and zero percent for years beginning on or after January first, two thousand twenty-one. The rate of tax for a 12 qualified New York manufacturer [for tax years subsequent to taxable 13 years beginning on or after January first, two thousand fifteen and 14 15 before January first, two thousand sixteen] shall be .132 PERCENT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN 16 AND BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, .106 percent for taxable 17 18 years beginning on or after January first, two thousand sixteen and before January first, two thousand seventeen, .085 percent for taxable years beginning on or after January first, two thousand seventeen and 19 20 21 before January first, two thousand eighteen; .056 percent for taxable years beginning on or after January first, two thousand eighteen 22 and before January first, two thousand nineteen; .038 percent for taxable 23 24 years beginning on or after January first, two thousand nineteen and 25 before January first, thousand twenty; .019 percent for taxable years beginning on or after January first, two thousand twenty and before 26 January first, two thousand twenty-one; and zero percent for years beginning on or after January first, two thousand twenty-one. (II) In no 27 28 event shall the amount prescribed by this paragraph exceed three hundred 29 30 fifty thousand dollars for qualified New York manufacturers and for all other taxpayers five million dollars. 31 32 For purposes of subparagraph one of this paragraph, the term (2)

33 "manufacturer" shall mean a taxpayer which during the taxable year is principally engaged in the production of goods by manufacturing, proc-34 35 essing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing. Moreover, 36 37 for purposes of computing the capital base in a combined report, the combined group shall be considered a "manufacturer" for purposes of this 38 39 subparagraph only if the combined group during the taxable year is prin-40 cipally engaged in the activities set forth in this subparagraph, or any combination thereof. A taxpayer or, IN THE CASE OF A COMBINED REPORT, a 41 combined group shall be "principally engaged" in activities described 42 43 above if, during the taxable year, more than fifty percent of the gross receipts of the taxpayer or combined group, respectively, are derived 44 from receipts from the sale of goods produced by such activities. In computing a combined group's gross receipts, intercorporate receipts 45 46 47 shall be eliminated. A "qualified New York manufacturer" is a manufacturer that has property in New York that is described in CLAUSE (A) OF 48 49 SUBPARAGRAPH (I) OF PARAGRAPH (B) OF subdivision one of section [210-B] 50 TWO HUNDRED TEN-B of this article and either (i) the adjusted basis of 51 that property for federal income tax purposes at the close of the taxable year is at least one million dollars or (ii) all of its real and 52 53 personal property is located in New York. In addition, a "qualified New 54 York manufacturer" means a taxpayer that is defined as a qualified 55 emerging technology company under paragraph (c) of subdivision one of section thirty-one hundred two-e of the public authorities law regard-56

less of the ten million dollar limitation expressed in subparagraph one 1 such paragraph. A taxpayer or, in the case of a combined report, a 2 of 3 combined group, that does not satisfy the principally engaged test may 4 be a qualified New York manufacturer if the taxpayer or the combined group employs during the taxable year at least two thousand five hundred 5 6 employees in manufacturing in New York and the taxpayer or the combined 7 group has property in the state used in manufacturing, the adjusted basis of which for federal income tax purposes at the close of the taxa-8 9 ble year is at least one hundred million dollars.

10 S 19. Subparagraphs 1 and 2 of paragraph (d) of subdivision 1 of 11 section 210 of the tax law, as amended by section 12 of part A of chap-12 ter 59 of the laws of 2014, are amended to read as follows:

(1) (A) The amount prescribed by this paragraph for New York S corpo rations, OTHER THAN NEW YORK S CORPORATIONS THAT ARE QUALIFIED NEW YORK
 MANUFACTURERS OR QUALIFIED EMERGING TECHNOLOGY COMPANIES, will be deter mined in accordance with the following table:

17	If New York receipts are: The fi	ixed dollar minimum tax is:
18	not more than \$100,000	\$ 25
19	more than \$100,000 but not over \$250,000	\$ 50
20	more than \$250,000 but not over \$500,000	\$ 175
21	more than \$500,000 but not over \$1,000,000	\$ 300
22	more than \$1,000,000 but not over \$5,000,000	\$1,000
23	more than \$5,000,000 but not over \$25,000,000	\$3,000
24	Over \$25,000,000	\$4,500

(B) PROVIDED FURTHER, THE AMOUNT PRESCRIBED BY THIS PARAGRAPH FOR NEW 25 26 YORK S CORPORATIONS THAT ARE QUALIFIED NEW YORK MANUFACTURERS, AS DEFINED IN SUBPARAGRAPH (VI) OF PARAGRAPH (A) OF THIS SUBDIVISION, AND 27 FOR NEW YORK S CORPORATIONS THAT ARE QUALIFIED EMERGING TECHNOLOGY 28 COMPANIES UNDER PARAGRAPH (C) OF SUBDIVISION ONE OF SECTION THIRTY-ONE 29 30 HUNDRED TWO-E OF THE PUBLIC AUTHORITIES LAW REGARDLESS OF THE TEN MILLION DOLLAR LIMITATION EXPRESSED IN SUBPARAGRAPH ONE OF SUCH 31 PARA-GRAPH (C), WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLES. 32

33 FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2015 AND BEFORE JANU-34 ARY 1, 2016:

35 IF NEW YORK RECEIPTS ARE:

THE FIXED DOLLAR MINIMUM TAX IS:

36	NOT MORE THAN \$100,000	\$	22
37	MORE THAN \$100,000 BUT NOT OVER \$250,000	\$	44
38	MORE THAN \$250,000 BUT NOT OVER \$500,000	\$	153
39	MORE THAN \$500,000 BUT NOT OVER \$1,000,000	\$	263
40	MORE THAN \$1,000,000 BUT NOT OVER \$5,000,000	\$	877
41	MORE THAN \$5,000,000 BUT NOT OVER \$25,000,000	\$2	,631
42	OVER \$25,000,000	\$3	,947

43 FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2016 AND BEFORE JANU-44 ARY 1, 2018:

45	IF NEW YORK RECEIPTS ARE:	THE	FIXED	DOLLAR	MINIMUM	TAX	IS:
46	NOT MORE THAN \$100,000			\$	21		
47	MORE THAN \$100,000 BUT NOT OVER \$250,000	)		\$	42		
48	MORE THAN \$250,000 BUT NOT OVER \$500,000	)		\$ 2	148		
49	MORE THAN \$500,000 BUT NOT OVER \$1,000,0	000		\$ 2	254		

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1	MORE THAN \$1,000,000 BUT N	JOT OVER \$5,000,000	\$ 846
2	MORE THAN \$5,000,000 BUT N	JOT OVER \$25,000,000	\$2,538
3	OVER \$25,000,000		\$3,807

4 FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2018:

5	IF NEW YORK RECEIPTS ARE:	THE	FIXED	DOLLAR	MINIMUM	TAX	IS:
6	NOT MORE THAN \$100,000			\$	19		
7	MORE THAN \$100,000 BUT NOT OVER \$250,00	0		\$	38		
8	MORE THAN \$250,000 BUT NOT OVER \$500,00	0		\$	131		
9	MORE THAN \$500,000 BUT NOT OVER \$1,000,	000		\$	225		
10	MORE THAN \$1,000,000 BUT NOT OVER \$5,00	0,00	0	\$	750		
11	MORE THAN \$5,000,000 BUT NOT OVER \$25,0	00,0	00	\$2,	250		
12	OVER \$25,000,000			\$3,	375		

13 (C) Provided further, the amount prescribed by this paragraph for a qualified New York manufacturer, as defined in subparagraph (vi) of 14 paragraph (a) of this subdivision, and a qualified emerging technology 15 company under paragraph (c) of subdivision one of section thirty-one 16 hundred two-e of the public authorities law regardless of the ten 17 18 million dollar limitation expressed in subparagraph one of such paragraph (c), THAT IS NOT A NEW YORK S CORPORATION, will be determined in 19 accordance with the following tables[:]. HOWEVER, WITH RESPECT TO QUALI-20 FIED NEW YORK MANUFACTURERS, THE AMOUNTS IN THESE TABLES WILL APPLY IN 21 CASE OF A COMBINED REPORT ONLY IF THE COMBINED GROUP SATISFIES THE 22 THE FORTH IN 23 REQUIREMENTS TO BE A QUALIFIED NEW YORK MANUFACTURER AS SET SUCH SUBPARAGRAPH (VI). 24

25 [For tax years beginning on or after January 1, 2014 and before January 26 1, 2015:

27	If New York receipts are: The fixed	d dollar minimum tax is:
28	not more than \$100,000	\$ 23
29	more than \$100,000 but not over \$250,000	\$ 68
30	more than \$250,000 but not over \$500,000	\$ 159
31	more than \$500,000 but not over \$1,000,000	\$ 454
32	more than \$1,000,000 but not over \$5,000,000	\$1,362
33	more than \$5,000,000 but not over \$25,000,000	\$3,178
34	Over \$25,000,000	\$4,500]

35 For tax years beginning on or after January 1, 2015 and before January 36 1, 2016:

37	If New York receipts are: The fix	ed dollar minimum tax is:
38	not more than \$100,000	\$ 22
39	more than \$100,000 but not over \$250,000	\$ 66
40	more than \$250,000 but not over \$500,000	\$ 153
41	more than \$500,000 but not over \$1,000,000	\$ 439
42	more than \$1,000,000 but not over \$5,000,000	\$1,316
43	more than \$5,000,000 but not over \$25,000,000	\$3,070
44	Over \$25,000,000	\$4,385

45 For tax years beginning on or after January 1, 2016 and before January 46 1, 2018:

47 If New York receipts are:

1	not more than \$100,000	\$ 21
2	more than \$100,000 but not over \$250,000	\$63
3	more than \$250,000 but not over \$500,000	\$ 148
4	more than \$500,000 but not over \$1,000,000	\$ 423
5	more than \$1,000,000 but not over \$5,000,000	\$1,269
6	more than \$5,000,000 but not over \$25,000,000	\$2,961
7	Over \$25,000,000	\$4,230

8 For tax years beginning on or after January 1, 2018:

9	If New York receipts are: The fix	xed dollar minimum tax is:
10	not more than \$100,000	\$ 19
11	more than \$100,000 but not over \$250,000	\$ 56
12	more than \$250,000 but not over \$500,000	\$ 131
13	more than \$500,000 but not over \$1,000,000	\$ 375
14	more than \$1,000,000 but not over \$5,000,000	\$1,125
15	more than \$5,000,000 but not over \$25,000,000	\$2,625
16	Over \$25,000,000	\$3,750

17 (D) Otherwise, FOR ALL OTHER TAXPAYERS NOT COVERED BY CLAUSES (A), (B) 18 AND (C) OF THIS SUBPARAGRAPH, the amount prescribed by this paragraph 19 will be determined in accordance with the following table:

20	±	ollar minimum tax is:
21	not more than \$100,000	\$ 25
22	more than \$100,000 but not over \$250,000	\$ 75
23	more than \$250,000 but not over \$500,000	\$ 175
24	more than \$500,000 but not over \$1,000,000	\$ 500
25	more than \$1,000,000 but not over \$5,000,000	\$1,500
26	more than \$5,000,000 but not over \$25,000,000	\$3,500
27	more than \$25,000,000 but not over \$50,000,000	\$5,000
28	more than \$50,000,000 but not over \$100,000,000	\$10,000
29	more than \$100,000,000 but not over \$250,000,000	\$20,000
30	more than \$250,000,000 but not over \$500,000,000	\$50,000
31	more than \$500,000,000 but not over \$1,000,000,000	\$100,000
32	Over \$1,000,000,000	\$200,000

33 (E) For purposes of this paragraph, New York receipts are the receipts 34 included in the numerator of the apportionment factor determined under 35 section two hundred ten-A for the taxable year.

(2) If the taxable year is less than twelve months, the amount of New 36 York receipts is determined by dividing the amount of the receipts 37 for 38 the taxable year by the number of months in the taxable year and multi-39 plying the result by twelve, AND THE AMOUNT PRESCRIBED BY THIS PARAGRAPH 40 SHALL BE REDUCED BY TWENTY-FIVE PERCENT OF THE PERIOD FOR WHICH THE TAXPAYER IS SUBJECT TO TAX IS MORE THAN SIX MONTHS BUT NOT MORE THAN 41 42 NINE MONTHS AND BY FIFTY PERCENT IF THE PERIOD FOR WHICH THE TAXPAYER IS 43 SUBJECT TO TAX IS NOT MORE THAN SIX MONTHS. In the case of a termination year of a New York S corporation, the sum of the tax computed under this 44 45 paragraph for the S short year and for the C short year shall not be 46 less than the amount computed under this paragraph as if the corporation were a New York C corporation for the entire taxable year. 47

48 S 20. Paragraph (f) of subdivision 1 of section 210 of the tax law, as 49 amended by section 12 of part A of chapter 59 of the laws of 2014, is 50 amended to read as follows:

(f) For purposes of this section, the term "small business taxpayer" 1 shall mean a taxpayer (i) which has an entire net income of not more 2 3 than three hundred ninety thousand dollars for the taxable year; (ii) 4 the aggregate amount of money and other property received by the corpo-5 ration for stock, as a contribution to capital, and as paid-in surplus, 6 does not exceed one million dollars; (iii) which is not part of an 7 affiliated group, as defined in section 1504 of the internal revenue code, unless such group, if it had filed a report under this article on a combined basis, would have itself qualified as a "small business 8 9 10 taxpayer" pursuant to this subdivision; and (iv) which has an average 11 number of individuals, excluding general executive officers, employed full-time in the state during the taxable year of one hundred or fewer. 12 13 the taxable period to which subparagraph (i) of this paragraph Ιf 14 applies is less than twelve months, entire net income under such subparagraph shall be placed on an annual basis by multiplying the entire net 15 income by twelve and dividing the result by the number of months in the period. For purposes of subparagraph (ii) of this paragraph, the amount 16 17 18 taken into account with respect to any property other than money shall be the amount equal to the adjusted basis to the corporation of such property for determining gain, reduced by any liability to which the property was subject or which was assumed by the corporation. The deter-19 20 21 22 mination under the preceding sentence shall be made as of the time the 23 property was received by the corporation. For purposes of subparagraph [(iii)] (IV) of this [section] PARAGRAPH, "average number of 24 individ-25 uals, excluding general executive officers, employed full-time" shall be computed by ascertaining the number of such individuals employed by the 26 taxpayer on the thirty-first day of March, the thirtieth day of June, 27 28 the thirtieth day of September and the thirty-first day of December 29 during each taxable year or other applicable period, by adding together 30 the number of such individuals ascertained on each of such dates and dividing the sum so obtained by the number of such dates occurring with-31 32 in such taxable year or other applicable period. An individual employed 33 full-time means an employee in a job consisting of at least thirty-five hours per week, or two or more employees who are in jobs that together 34 constitute the equivalent of a job at least thirty-five hours per week 35 (full-time equivalent). Full-time equivalent employees in the state 36 37 [includes] INCLUDE all employees regularly connected with or working out 38 of an office or place of business of the taxpayer within the state. 21. Subdivision 1 of section 210-A of the tax law, as added by 39 S

40 section 16 of part A of chapter 59 of the laws of 2014, is amended to 41 read as follows:

General. Business income and capital shall be apportioned to the 42 1. 43 state by the apportionment factor determined pursuant to this section. 44 The apportionment factor is a fraction, determined by including only 45 those receipts, net income, net gains, and other items described in this section that are included in the computation of the taxpayer's business 46 47 WITHOUT REGARD TO THE MODIFICATION PROVIDED IN (DETERMINED income 48 SUBPARAGRAPH NINETEEN OF PARAGRAPH (A) OF SUBDIVISION NINE OF SECTION 49 TWO HUNDRED EIGHT OF THIS ARTICLE) for the taxable year. The numerator 50 of the apportionment fraction shall be equal to the sum of all the 51 amounts required to be included in the numerator pursuant to the provisions of this section and the denominator of the apportionment 52 fraction shall be equal to the sum of all the amounts required to be 53 54 included in the denominator pursuant to the provisions of this section.

1 S 22. Paragraph (c) of subdivision 2 of section 210-A of the tax law, 2 as added by section 16 of part A of chapter 59 of the laws of 2014, is 3 amended to read as follows:

4 (c) Receipts from sales of tangible personal property and electricity 5 that are traded as commodities, as [described] THE TERM "COMMODITY" IS 6 DEFINED in section 475 of the internal revenue code, are included in the 7 apportionment fraction in accordance with clause (I) of subparagraph two 8 of paragraph (a) of subdivision five of this section.

9 S 23. The opening paragraph and paragraph 1 of paragraph (a) of subdi-10 vision 5 of section 210-A of the tax law, as added by section 16 of part 11 A of chapter 59 of the laws of 2014, are amended to read as follows:

[A financial instrument is a "qualified financial instrument" if it is 12 13 marked to market under section 475 or section 1256 of the internal 14 revenue code, provided that loans secured by real property shall not be 15 qualified financial instruments.] A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instru-16 17 ment. A QUALIFIED FINANCIAL INSTRUMENT MEANS A FINANCIAL INSTRUMENT IS OF A TYPE DESCRIBED IN ANY OF CLAUSES (A), (B), (C), (D), (G), 18 THAT 19 (H) OR (I) OF SUBPARAGRAPH TWO OF THIS PARAGRAPH AND THAT HAS BEEN MARKED TO MARKET IN THE TAXABLE YEAR BY THE TAXPAYER UNDER SECTION 475 20 OR SECTION 1256 OF THE INTERNAL REVENUE CODE. FURTHER, IF THE 21 TAXPAYER 22 THE TAXABLE YEAR MARKED TO MARKET A FINANCIAL INSTRUMENT OF THE HAS IN 23 TYPE DESCRIBED IN ANY OF THE CLAUSES (A), (B), (C), (D), (G), (H) OR (I) OF SUBPARAGRAPH TWO OF THIS PARAGRAPH, THEN ANY FINANCIAL INSTRUMENT 24 25 WITHIN THAT TYPE DESCRIBED IN THE ABOVE SPECIFIED CLAUSE OR CLAUSES THAT 26 HAS NOT BEEN MARKED TO MARKET BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL 27 REVENUE CODE IS A QUALIFIED FINANCIAL 28 IN THE TAXABLE YEAR. NOTWITHSTANDING INSTRUMENT THETWO PRECEDING SENTENCES, (I) A LOAN SECURED BY REAL PROPERTY SHALL NOT BE A 29 OUALIFIED FINANCIAL INSTRUMENT, (II) IF THE ONLY LOANS THAT ARE MARKED TO MARKET 30 BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVEN-31 32 UE CODE ARE LOANS SECURED BY REAL PROPERTY, THEN NO LOANS SHALL BE QUAL-IFIED FINANCIAL INSTRUMENTS, AND (III) STOCK THAT IS INVESTMENT CAPITAL 33 IN PARAGRAPH (A) OF SUBDIVISION FIVE OF SECTION TWO HUNDRED 34 AS DEFINED 35 EIGHT OF THIS ARTICLE SHALL NOT BE A QUALIFIED FINANCIAL INSTRUMENT. IF A CORPORATION IS INCLUDED IN A COMBINED REPORT, THE DEFINITION OF QUALI-36 37 FIED FINANCIAL INSTRUMENT SHALL BE DETERMINED ON A COMBINED BASIS.

instruments. 38 (1) Fixed percentage method for qualified financial In 39 determining the inclusion of receipts and net gains from qualified 40 financial instruments in the apportionment fraction, taxpayers may elect to use the fixed percentage method described in this subparagraph for qualified financial instruments. The election is irrevocable, applies to 41 42 43 all qualified financial instruments, and must be made on an annual basis 44 the taxpayer's original, timely filed return, DETERMINED WITH REGARD on TO EXTENSIONS OF TIME FOR FILING. If the taxpayer elects the fixed percentage method, then all income, gain or loss, INCLUDING MARKED TO 45 46 MARKET NET GAINS AS DEFINED IN CLAUSE (J) OF SUBPARAGRAPH 47 TWO OF THIS from qualified financial instruments constitutes business 48 PARAGRAPH, 49 income, gain or loss. If the taxpayer does not elect to use the fixed 50 percentage method, then receipts and net gains are included in the apportionment fraction in accordance with the customer sourcing method 51 described in subparagraph two of this paragraph. Under the fixed percentage method, eight percent of all net income (not less than zero) 52 53 54 from qualified financial instruments is included in the numerator of the 55 apportionment fraction. All net income (not less than zero) from quali-

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OF

fied financial instruments is included in the denominator of the appor-1 2 tionment fraction. 3 24. Subclause (iv) of clause (A) of subparagraph 2 of paragraph (a) S of subdivision 5 of section 210-A of the tax law, as added by section 16 4 5 of part A of chapter 59 of the laws of 2014, is amended to read as 6 follows: 7 (iv) Net gains (not less than zero) from sales of loans not secured by 8 property are included in the numerator of the apportionment fracreal tion as provided in this subclause. The amount of net gains 9 from the 10 of loans not secured by real property included in the numerator of sale the apportionment fraction is determined by multiplying the net gains by 11 12 a fraction, the numerator of which is the amount of gross proceeds from 13 sales of loans not secured by real property to purchasers located within 14 the state and the denominator of which is the amount of gross [receipts] 15 PROCEEDS from sales of loans not secured by real property to purchasers 16 located within and without the state. Gross proceeds shall be determined 17 after the deduction of any cost incurred to acquire the loans but shall 18 not be less than zero. Net gains (not less than zero) from sales of 19 loans not secured by real property are included in the denominator of 20 the apportionment fraction. 21 Clause (A) of subparagraph 2 of paragraph (a) of subdivision 5 25. S 22 of section 210-A of the tax law is amended by adding a new subclause (v)23 to read as follows: 24 (V) FOR PURPOSES OF THIS SUBDIVISION, A LOAN IS SECURED BY REAL PROP-25 FIFTY PERCENT OR MORE OF THE VALUE OF THE COLLATERAL USED TO ERTY ΙF 26 SECURE THE LOAN, WHEN VALUED AT FAIR MARKET VALUE AS OF THE TIME THE LOAN WAS ENTERED INTO, CONSISTS OF REAL PROPERTY. 27 28 S 25-a. Clause (I) of subparagraph 2 of paragraph (a) of subdivision 5 29 section 210-A of the tax law, as added by section 16 of part A of of chapter 59 of the laws of 2014, is amended to read as follows: 30 (I) Physical commodities. Net income (not less than zero) from 31 sales 32 physical commodities are included in the numerator of the apportionof 33 ment fraction as provided in this [subparagraph] CLAUSE. The amount of 34 net income from sales of physical commodities included in the numerator of the apportionment fraction is determined by multiplying 35 the net income from sales of physical commodities by a fraction, the numerator 36 37 of which is the amount of receipts from sales of physical commodities actually delivered to points within the state or, if there is no actual 38 39 delivery of the physical commodity, sold to purchasers located in the 40 state, and the denominator of which is the amount of receipts from sales 41 physical commodities actually delivered to points within and without of the state or, IF THERE IS NO ACTUAL DELIVERY OF THE PHYSICAL COMMODITY, 42 43 sold to purchasers located within and without the state. Net income (not 44 less [that] THAN zero) from sales of physical commodities is included in 45 the denominator of the apportionment fraction. Net income (not less than of physical commodities 46 zero) from sales is determined after the 47 deduction of the cost to acquire or produce the physical commodities. 48 S 26. Subparagraph 2 of paragraph (a) of subdivision 5 of section 49 210-A of the tax law is amended by adding a new clause (J) to read as 50 follows: 51 (J) MARKED TO MARKET NET GAINS. (I) FOR PURPOSES OF THIS SUBDIVISION, "MARKED TO MARKET" MEANS THAT A FINANCIAL INSTRUMENT IS, UNDER SECTION 52 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE, TREATED BY THE TAXPAY-53 54 ER AS SOLD FOR ITS FAIR MARKET VALUE ON THE LAST BUSINESS DAY OF THE 55 TAXABLE YEAR. "MARKED TO MARKET GAIN OR LOSS" MEANS THE GAIN TAXPAYER 'S

OR LOSS RECOGNIZED BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256

1 THE INTERNAL REVENUE CODE BECAUSE THE FINANCIAL INSTRUMENT IS TREATED AS 2 SOLD FOR ITS FAIR MARKET VALUE ON THE LAST BUSINESS DAY OF THE TAXPAY-3 ER'S TAXABLE YEAR.

4 (II)THE AMOUNT OF MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) 5 FROM EACH TYPE OF FINANCIAL INSTRUMENT THAT IS MARKED TO MARKET INCLUDED 6 IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED ΒY MULTI-7 PLYING THE MARKED TO MARKET NET GAINS (BUT NOT LESS THAN ZERO) FROM SUCH 8 THE FINANCIAL INSTRUMENT BY A FRACTION, THE NUMERATOR OF WHICH TYPE OF IS THE NUMERATOR OF THE APPORTIONMENT FRACTION FOR THE NET GAINS 9 FROM 10 THAT TYPE OF FINANCIAL INSTRUMENT DETERMINED UNDER THE APPLICABLE CLAUSE THIS SUBPARAGRAPH AND THE DENOMINATOR OF WHICH IS THE DENOMINATOR OF 11 OF THE APPORTIONMENT FRACTION FOR THE NET GAINS FOR THAT TYPE OF 12 FINANCIAL DETERMINED UNDER THE APPLICABLE CLAUSE OF THIS SUBPARAGRAPH. 13 INSTRUMENT 14 MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FROM FINANCIAL INSTRU-15 MENTS FOR WHICH THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETER-16 MINED UNDER THE IMMEDIATELY PRECEDING SENTENCE ARE INCLUDED IN THE 17 DENOMINATOR OF THE APPORTIONMENT FRACTION.

18 IF THE TYPE OF FINANCIAL INSTRUMENT THAT IS MARKED TO MARKET IS (III) 19 NOT OTHERWISE SOURCED BY THE TAXPAYER UNDER THIS SUBPARAGRAPH, OR IF THE TAXPAYER HAS A NET LOSS FROM THE SALES OF THAT TYPE OF FINANCIAL INSTRU-20 21 MENT UNDER THE APPLICABLE CLAUSE OF THIS SUBPARAGRAPH, THE AMOUNT OF 22 MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FROM THAT TYPE OF FINAN-INSTRUMENT INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION 23 CIAL 24 IS DETERMINED BY MULTIPLYING THE MARKED TO MARKET NET GAINS (BUT NOT 25 FROM THAT TYPE OF FINANCIAL INSTRUMENT BY A FRACTION, LESS ZERO) THAN 26 THE NUMERATOR OF WHICH IS THE SUM OF THE AMOUNT OF RECEIPTS INCLUDED IN 27 THE NUMERATOR OF THE APPORTIONMENT FRACTION UNDER CLAUSES (A), (B), (C), (E), (F), (G), (H) AND (I) OF THIS SUBPARAGRAPH AND SUBCLAUSE (II) 28 (D), OF THIS CLAUSE, AND THE DENOMINATOR OF WHICH IS THE SUM OF THE AMOUNT OF 29 RECEIPTS INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION UNDER 30 CLAUSES (A), (B), (C), (D), (E), (F), (G), (H) AND (I) 31 AND SUBCLAUSE 32 (II) OF THIS CLAUSE. MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FOR 33 TO BE INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT WHICH THE AMOUNT 34 FRACTION IS DETERMINED UNDER THE IMMEDIATELY PRECEDING SENTENCE ARE INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION. 35

36 S 27. Paragraph (e) of subdivision 5 of section 210-A of the tax law, 37 as added by section 16 of part A of chapter 59 of the laws of 2014, is 38 amended to read as follows:

39 (e) For purposes of this subdivision, a taxpayer shall use the follow-40 ing hierarchy to determine the commercial domicile of a business entity, based on the information known to the taxpayer or information that would 41 be known upon reasonable inquiry: (i) [the location of the treasury 42 function of the business entity; (ii)] the seat of management and 43 44 control of the business entity; and [(iii)] (II) the billing address of the business entity in the taxpayer's records. The taxpayer must exer-45 cise due diligence before rejecting [a] THE FIRST method in this hierar-46 47 chy and proceeding to the next method.

48 S 28. Section 210-A of the tax law is amended by adding a new subdivi-49 sion 6-a to read as follows:

50 RECEIPTS FROM THE OPERATION OF VESSELS. RECEIPTS FROM THE OPERAб-А. 51 TION OF VESSELS ARE INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRAC-TION AS FOLLOWS. THE AMOUNT OF RECEIPTS FROM THE OPERATION OF 52 VESSELS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED BY 53 54 MULTIPLYING THE AMOUNT OF SUCH RECEIPTS BY A FRACTION, THE NUMERATOR OF 55 WHICH IS THE AGGREGATE NUMBER OF WORKING DAYS OF THE VESSELS OWNED OR 56 THE TAXPAYER IN TERRITORIAL WATERS OF THE STATE DURING THE LEASED BY

PERIOD COVERED BY THE TAXPAYER'S REPORT AND THE DENOMINATOR OF WHICH 1 IS 2 AGGREGATE NUMBER OF WORKING DAYS OF ALL VESSELS OWNED OR LEASED BY THE 3 THE TAXPAYER DURING SUCH PERIOD. RECEIPTS FROM THE OPERATION OF VESSELS 4 ARE INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION. The opening paragraph of clause (A) of subparagraph 1 of para-5 S 29. graph (b) of subdivision 7 of section 210-A of the tax law, as added by 6 7 section 16 of part A of chapter 59 of the laws of 2014, is amended to 8 read as follows: 9 The portion of receipts of a taxpayer from aviation services (other 10 services described in paragraph (a) of this subdivision, BUT than INCLUDING THE RECEIPTS OF A QUALIFIED AIR FREIGHT FORWARDER) to be 11 included in the numerator of the apportionment fraction shall be deter-12 mined by multiplying its receipts from such aviation services by a 13 14 percentage which is equal to the arithmetic average of the following 15 three percentages: S 30. Paragraph (b) of subdivision 7 of section 210-A of the 16 tax law 17 is amended by adding a new subparagraph 3 to read as follows: 18 (3) A CORPORATION IS A OUALIFIED AIR FREIGHT FORWARDER WITH RESPECT TO ANOTHER CORPORATION: 19 20 IT OWNS OR CONTROLS EITHER DIRECTLY OR INDIRECTLY ALL OF THE (A) ΙF 21 CAPITAL STOCK OF SUCH OTHER CORPORATION, OR IF ALL OF ITS CAPITAL STOCK 22 CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY SUCH OTHER OWNED OR CORPORATION, OR IF ALL OF THE CAPITAL STOCK OF BOTH CORPORATIONS 23 IS 24 OWNED OR CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY THE SAME INTERESTS, 25 IS PRINCIPALLY ENGAGED IN THE BUSINESS OF AIR FREIGHT (B) ΙF IT26 FORWARDING, AND 27 (C) IF ITS AIR FREIGHT FORWARDING BUSINESS IS CARRIED ON PRINCIPALLY 28 WITH THE AIRLINE OR AIRLINES OPERATED BY SUCH OTHER CORPORATION. 29 S 30-a. Paragraph (b) of subdivision 8 of section 210-A of the tax law, as added by section 16 of part A of chapter 59 of the laws of 2014, 30 31 is amended to read as follows: 32 (b) The amount of receipts from sales of advertising on television or 33 radio included in the NUMERATOR OF THE apportionment fraction is determined by multiplying the total of such receipts by a fraction, the numerator of which is the number of viewers or listeners within the 34 35 state and the denominator of which is the number of viewers or listeners 36 37 within and without the state. The total of such receipts from sales of 38 advertising on television and radio is included in the denominator of 39 the apportionment fraction. 40 S 31. Subparagraph (i) of paragraph (b) and paragraph (d) of subdivision 1 of section 210-B of the tax law, as added by section 17 of part A 41 of chapter 59 of the laws of 2014, are amended to read as follows: 42 43 (i) A credit shall be allowed under this subdivision with respect to 44 tangible personal property and other tangible property, including buildings and structural components of buildings, which are: depreciable pursuant to section one hundred sixty-seven of the internal revenue 45 46 47 code, have a useful life of four years or more, are acquired by purchase 48 as defined in section one hundred seventy-nine (d) of the internal revenue code, have a situs in this state and are (A) principally used by 49 50 taxpayer in the production of goods by manufacturing, processing, the 51 assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (B) industrial 52 waste treatment facilities or air pollution control facilities, used in 53 54 the taxpayer's trade or business, (C) research and development property, 55 or (D) principally used in the ordinary course of the taxpayer's trade business as a broker or dealer in connection with the purchase or 56 or

sale (which shall include but not be limited to the issuance, entering 1 2 into, assumption, offset, assignment, termination, or transfer) of 3 stocks, bonds or other securities as defined in section four hundred 4 seventy-five (c)(2) of the Internal Revenue Code, or of commodities as 5 defined in section four hundred seventy-five (e) of the Internal Revenue 6 Code, (E) principally used in the ordinary course of the taxpayer's 7 trade or business of providing investment advisory services for a regu-8 lated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan orig-9 10 ination services to customers in connection with the purchase or sale 11 (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities 12 13 as defined in section four hundred seventy-five (c)(2) of the Internal 14 Revenue Code, (F) [originally] PRINCIPALLY used in the ordinary course 15 of the taxpayer's business as an exchange registered as a national secu-16 rities exchange within the meaning of sections 3(a)(1) and 6(a) of the 17 Securities Exchange Act of 1934 or a board of trade as defined in 18 [section 1410(a)(1) of the New York Not-for-Profit Corporation Law] 19 SUBPARAGRAPH ONE OF PARAGRAPH (A) OF SECTION FOURTEEN HUNDRED TEN OF THE 20 NOT-FOR-PROFIT CORPORATION LAW or as an entity that is wholly owned by 21 one or more such national securities exchanges or boards of trade and 22 that provides automation or technical services thereto, or (G) princi-23 pally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated 24 25 as such pursuant to article eighteen-B of the general municipal law, 26 where the taxpayer is providing three or more services to any qualified 27 film production company using the facility, including such services as a 28 studio lighting grid, lighting and grip equipment, multi-line phone 29 service, broadband information technology access, industrial scale elec-30 trical capacity, food services, security services, and heating, ventilation and air conditioning. FOR PURPOSES OF CLAUSES (D), (E) AND (F) OF 31 32 THIS SUBPARAGRAPH, PROPERTY PURCHASED BY A TAXPAYER AFFILIATED WITH A 33 BROKER, DEALER, REGISTERED INVESTMENT ADVISOR, NATIONAL SECU-REGULATED RITIES EXCHANGE OR BOARD OF TRADE, IS ALLOWED A CREDIT UNDER THIS SUBDI-VISION IF THE PROPERTY IS USED BY ITS AFFILIATED REGULATED BROKER, DEAL-34 35 ER, REGISTERED INVESTMENT ADVISOR, NATIONAL SECURITIES EXCHANGE OR BOARD 36 37 OF TRADE IN ACCORDANCE WITH THIS SUBDIVISION. FOR PURPOSES OF DETERMIN-38 IF THE PROPERTY IS PRINCIPALLY USED IN QUALIFYING USES, THE USES BY ING THE TAXPAYER DESCRIBED IN CLAUSES (D) AND (E) OF THIS 39 SUBPARAGRAPH MAY 40 ADDITION, THE USES BY THE TAXPAYER, ITS AFFILIATED ΒE AGGREGATED. IN REGULATED BROKER, DEALER AND REGISTERED INVESTMENT ADVISOR UNDER 41 EITHER OR BOTH OF THOSE CLAUSES MAY BE AGGREGATED. Provided, however, a taxpay-42 43 shall not be allowed the credit provided by clauses (D), (E) and (F) er 44 of this subparagraph unless THE PROPERTY IS FIRST PLACED IN SERVICE 45 BEFORE OCTOBER FIRST, TWO THOUSAND FIFTEEN AND (i) eighty percent or more of the employees performing the administrative and support 46 func-47 tions resulting from or related to the qualifying uses of such equipment 48 are located in this state or (ii) the average number of employees that perform the administrative and support functions resulting from or related to the qualifying uses of such equipment and are located in this 49 50 51 state during the taxable year for which the credit is claimed is equal to or greater than ninety-five percent of the average number of employ-52 53 that perform these functions and are located in this state during ees 54 the thirty-six months immediately preceding the year for which the cred-55 it is claimed, or (iii) the number of employees located in this state during the taxable year for which the credit is claimed is equal to or 56

greater than ninety percent of the number of employees located in this 1 state on December thirty-first, nineteen hundred ninety-eight or, if the 2 3 taxpayer was not a calendar year taxpayer in nineteen hundred ninety-4 eight, the last day of its first taxable year ending after December 5 thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes 6 subject to tax in this state after the taxable year beginning in nine-7 teen hundred ninety-eight, then the taxpayer is not required to satisfy 8 employment test provided in the preceding sentence of this subparathe graph for its first taxable year. For purposes of clause (iii) of this 9 10 subparagraph the employment test will be based on the number of employ-11 ees located in this state on the last day of the first taxable year the taxpayer is subject to tax in this state. If the uses of the property 12 13 must be aggregated to determine whether the property is principally used 14 in qualifying uses, then either each affiliate using the property must 15 satisfy this employment test or this employment test must be satisfied 16 through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the 17 18 For purposes of this subdivision, the term "goods" shall not property. 19 include electricity.

20 (d) Except as otherwise provided in this paragraph, the credit allowed under this subdivision for any taxable year shall not reduce the tax due 21 for such year to less than the [higher of the amounts prescribed 22 in paragraphs (c) and] FIXED DOLLAR MINIMUM AMOUNT PRESCRIBED IN PARAGRAPH 23 24 (d) of subdivision one of [this] section TWO HUNDRED TEN OF THIS 25 ARTICLE. However, if the amount of credit allowable under this subdivi-26 sion for any taxable year reduces the tax to such amount OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, 27 any amount of credit allowed for a taxable year commencing prior 28 to January first, nineteen hundred eighty-seven and not deductible in such 29 30 taxable year may be carried over to the following year or years and may deducted from the taxpayer's tax for such year or years but in no 31 be 32 event shall such credit be carried over to taxable years commencing on 33 or after January first, two thousand two, and any amount of credit allowed for a taxable year commencing on or after January first, nine-34 teen hundred eighty-seven and not deductible in such year may be carried 35 to the fifteen taxable years next following such taxable year and 36 over 37 may be deducted from the taxpayer's tax for such year or years. In lieu 38 such carryover, any such taxpayer which qualifies as a new business of 39 under paragraph [(j)] (F) of this subdivision may elect to treat the 40 such carryover as an overpayment of tax to be credited or amount of refunded in accordance with the provisions of section ten hundred eight-41 y-six of this chapter, provided, however, the provisions of 42 subsection 43 (c) of section ten hundred eighty-eight of this chapter notwithstanding, 44 no interest shall be paid thereon.

45 S 32. Subdivision 27 of section 210-B of the tax law, as added by 46 section 17 of part A of chapter 59 of the laws of 2014, is amended to 47 read as follows:

48 27. Credits of New York S corporations. (a) General. Notwithstanding the provisions of this section, no carryover of credit allowable in a 49 50 New York C year shall be deducted from the tax otherwise due under this 51 article in a New York S year, and no credit allowable in a New York S year, or carryover of such credit, shall be deducted from the tax 52 imposed by this article. However, a New York S year shall be treated as 53 54 taxable year for purposes of determining the number of taxable years а 55 to which a credit may be carried over under this section. Notwithstanding the first sentence of this subdivision, however, the credit for the 56

1 special additional mortgage recording tax shall be allowed as provided 2 in subdivision [fifteen] NINE of this section, and the carryover of any 3 such credit shall be determined without regard to whether the credit is 4 carried from a New York C year to a New York S year or vice-versa.

5 S 32-a. Subdivision 42 of section 210-b of the tax law, as added by 6 section 17 of part A of chapter 59 of the laws of 2014, is amended to 7 read as follows:

8 42. Alternative base credit. (a) If the tax imposed on a taxpayer by subdivision one of section two hundred nine of this article is the 9 10 amount prescribed in CLAUSE (II) OF SUBPARAGRAPH ONE OF paragraph (b) of 11 subdivision one of section two hundred ten of this article, the taxpayer shall be allowed a credit against the tax imposed under this article equal to the amount of tax paid to another state computed on a tax base 12 13 14 identical to the tax base prescribed in such paragraph (b). If the tax 15 imposed on a taxpayer by subdivision one of section two hundred nine of 16 this article is the HIGHEST amount prescribed in paragraph (d) of subdi-17 vision one of section two hundred ten of this article APPLICABLE TO THE 18 TAXPAYER, the taxpayer shall be allowed a credit against the tax imposed 19 under this article equal to the amount of tax paid to another state computed on a tax base identical to the tax base prescribed in such 20 21 paragraph (d).

22 S 33. Subdivision 1, subparagraphs (i) and (ii) of paragraph (d) and 23 paragraphs (d-1) and (e) of subdivision 4, and subdivision 7 of section 24 210-C of the tax law, as added by section 18 of part A of chapter 59 of 25 the laws of 2014, are amended to read as follows:

26 1. Tax. (A) The tax on a combined report shall be the highest of (i) the combined business income base multiplied by the tax rate specified 27 paragraph (a) of subdivision one of section two hundred ten of this 28 in 29 article; (ii) the combined capital base multiplied by the tax rate specified in paragraph (b) of subdivision one of section two hundred ten of 30 this article, but not exceeding the limitation provided for in that 31 32 paragraph (b); or (iii) the fixed dollar minimum that is attributable to 33 the designated agent of the combined group. In addition, the tax on a combined report shall include the fixed dollar minimum tax specified in 34 paragraph (d) of subdivision one of section two hundred ten of 35 this 36 article for each member of the combined group, other than the designated agent, that is a taxpayer. 37

(b) The combined business income base is the amount of the combined business income of the combined group that is apportioned to the state, reduced by any PRIOR NET OPERATING LOSS CONVERSION SUBTRACTION AND ANY net operating loss deduction for the combined group. The combined capital base is the amount of the combined capital of the combined group that is apportioned to the state.

44 (i) A net operating loss deduction is allowed in computing the 45 combined business income base. Such deduction may reduce the tax on the combined business income base to the higher of the tax on the combined 46 47 capital base or the fixed dollar minimum amount that is attributable to 48 the designated agent of the combined group. A combined net operating 49 loss deduction is equal to the amount of combined net operating loss or 50 losses from one or more taxable years that are carried forward OR 51 CARRIED BACK to a particular [income] TAXABLE year. A combined net operating loss is the combined business loss incurred in a particular taxa-52 ble year multiplied by the combined apportionment factor for 53 that year 54 determined as provided in subdivision five of this section.

55 (ii) The combined net operating loss deduction and combined net oper-56 ating loss are also subject to the provisions contained in clauses one 1 through [six] SEVEN of subparagraph (ix) of paragraph (a) of subdivision 2 one of section two hundred ten of this article.

3 A PRIOR net operating loss conversion subtraction is allowed in (d-1) 4 computing the combined business income base, as provided in subparagraph 5 (viii) of paragraph (a) of subdivision one of section two hundred ten of 6 this article. Such subtraction may reduce the tax on the combined busi-7 income base to the higher of the tax on the combined capital base ness 8 or the fixed dollar minimum amount that is attributable to the desig-9 nated agent of the combined group.

10 election made pursuant to paragraph (b) of subdivision (e) (I) Any six, [and] paragraphs (b) and (c) of subdivision six-a of section two 11 hundred eight, AND ITEM (IV) OF SUBCLAUSE TWO OF CLAUSE (B) OF SUBPARA-12 GRAPH (VIII) AND CLAUSE SEVEN OF SUBPARAGRAPH (IX) OF PARAGRAPH 13 (A) OF 14 SUBDIVISION ONE OF SECTION TWO HUNDRED TEN of this article shall apply 15 to all members of the combined group.

(II) THE DETERMINATION OF WHETHER OR NOT THE LIMITATION ON 16 INVESTMENT 17 SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION INCOME PROVIDED IN SIX OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE APPLIES TO THE COMBINED 18 19 GROUP SHALL BE BASED ON THE INVESTMENT INCOME OF THE COMBINED GROUP, DETERMINED WITHOUT REGARD TO INTEREST EXPENSES ATTRIBUTABLE TO INVEST-20 21 MENT CAPITAL OR INVESTMENT INCOME, AND THE ENTIRE NET INCOME OF THE 22 COMBINED GROUP.

23 Designated agent. Each combined group shall have one designated 7. 24 agent FOR THE COMBINED GROUP, which shall be a taxpayer. [The designated 25 agent is the parent corporation of the combined group. If there is no 26 such parent corporation, or the parent corporation is not a taxpayer, then another member of the combined group that is a taxpayer may be 27 appointed as the designated agent.] Only the designated agent may act on 28 29 behalf of the members of the combined group for matters relating to the 30 combined report.

31 S 33-a. Paragraph (b) of subdivision 3 of section 210-C of the tax 32 law, as added by section 18 of part A of chapter 59 of the laws of 2014, 33 is amended to read as follows:

(b) The election under this subdivision shall be made on an original, timely filed return of the combined group, DETERMINED WITH REGARD TO EXTENSIONS OF TIME FOR FILING. Any corporation entering a commonly owned group subsequent to the year of election shall be included in the combined group and is considered to have waived any objection to its inclusion in the combined group.

40 S 34. Paragraph 1 of subdivision (c) of section 40 of the tax law, as 41 added by section 4 of part A of chapter 68 of the laws of 2013, is 42 amended to read as follows:

43 (1) ascertaining the percentage that the average value of the busi-44 ness's real and tangible personal property, whether owned or rented to 45 it, in the tax-free NY area in which the business was located during the 46 period covered by the taxpayer's report or return bears to the average 47 value of the business's real and tangible personal property, whether 48 owned or rented to it, within the state during such period; provided 49 that the term "value of the business's real and tangible personal prop-50 shall have the same meaning as such term has in [subparagraph one erty" 51 of] paragraph (a) of subdivision [three] TWO of section [two hundred 52 ten] TWO HUNDRED NINE-B of this chapter; and

53 S 35. Clause (ii) of subparagraph (B) of paragraph 2 of subdivision 54 (d) of section 40 of the tax law, as added by section 4 of part A of 55 chapter 68 of the laws of 2013, is amended to read as follows:

(ii) For purposes of article nine-A of this chapter, the term "part-1 2 ner's income from the partnership" means partnership items of income, 3 gain, loss and deduction, and New York modifications thereto, entering 4 into [entire net] BUSINESS income [or minimum taxable income] and the term "partner's entire income" means [entire net] BUSINESS income [or 5 6 minimum taxable income], allocated within the state. For purposes of 7 article twenty-two of this chapter, the term "partner's income from the 8 partnership" means partnership items of income, gain, loss and deduction, and New York modifications thereto, entering into New York 9 10 adjusted gross income, and the term "partner's entire income" means New 11 York adjusted gross income.

12 S 36. Subparagraph (C) of paragraph 2 of subdivision (d) of section 40 13 of the tax law, as added by section 4 of part A of chapter 68 of the 14 laws of 2013, is amended to read as follows:

15 (C) (I) Where the taxpayer is a shareholder of a New York S corpo-16 ration that is a business located in a tax-free NY area, the sharehold-17 er's tax factor shall be that portion of the amount determined in paragraph one of this subdivision that is attributable to the income of the 18 S corporation. Such attribution shall be made in accordance with the 19 20 ratio of the shareholder's income from the S corporation allocated with-21 the state, entering into New York adjusted gross income, to the in 22 shareholder's New York adjusted gross income, or in accordance with such 23 other methods as the commissioner may prescribe as providing an apportionment that reasonably reflects the portion of the shareholder's tax 24 25 attributable to the income of such business. The income of the S corpo-26 ration allocated within the state shall be determined by multiplying the 27 income of the S corporation by [the] A business allocation factor [computed under paragraph (a) of subdivision three of section two 28 29 hundred ten of this article without regard to subparagraph ten of such paragraph (a)] THAT SHALL BE DETERMINED IN CLAUSE (II) OF THIS SUBPARA-30 GRAPH. In no event may the ratio so determined exceed 1.0. 31

(II) THE BUSINESS ALLOCATION FACTOR FOR PURPOSES OF THIS SUBPARAGRAPH
SHALL BE COMPUTED BY ADDING TOGETHER THE PROPERTY FACTOR SPECIFIED IN
SUBCLAUSE (I) OF THIS CLAUSE, THE WAGE FACTOR SPECIFIED IN SUBCLAUSE
(II) OF THIS CLAUSE AND THE APPORTIONMENT FACTOR DETERMINED UNDER
SECTION TWO HUNDRED TEN-A OF THIS CHAPTER AND DIVIDING BY THREE.

37 (I) THE PROPERTY FACTOR SHALL BE DETERMINED BY ASCERTAINING THE PERCENTAGE THAT THE AVERAGE VALUE OF THE BUSINESS'S REAL AND 38 TANGIBLE 39 PERSONAL PROPERTY, WHETHER OWNED OR RENTED TO IT, WITHIN THE STATE 40 DURING THE PERIOD COVERED BY THE TAXPAYER'S REPORT OR RETURN BEARS TΟ THE AVERAGE VALUE OF THE BUSINESS'S REAL AND TANGIBLE PERSONAL PROPERTY, 41 WHETHER OWNED OR RENTED TO IT, WITHIN AND WITHOUT THE STATE DURING SUCH 42 43 PERIOD; PROVIDED THAT THE TERM "VALUE OF THE BUSINESS'S REAL AND TANGI-44 BLE PERSONAL PROPERTY" SHALL HAVE THE SAME MEANING AS SUCH TERM HAS IN 45 PARAGRAPH (A) OF SUBDIVISION TWO OF SECTION TWO HUNDRED NINE-B OF THIS 46 CHAPTER.

47 (II)THE WAGE FACTOR SHALL BE DETERMINED BY ASCERTAINING THE PERCENT-48 AGE THAT THE TOTAL WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPEN-49 SATION, SIMILARLY COMPUTED, DURING SUCH PERIOD OF EMPLOYEES, EXCEPT 50 GENERAL EXECUTIVE OFFICERS, EMPLOYED AT THE BUSINESS'S LOCATION OR LOCATIONS WITHIN THE STATE, BEARS TO THE TOTAL WAGES, SALARIES AND OTHER 51 PERSONAL SERVICE COMPENSATION, SIMILARLY COMPUTED, DURING SUCH PERIOD, 52 OF ALL THE BUSINESS'S EMPLOYEES WITHIN AND WITHOUT THE STATE, 53 EXCEPT 54 GENERAL EXECUTIVE OFFICERS.

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1 S 37. Subparagraph (B) of paragraph 3 of subdivision (d) of section 40 2 of the tax law, as added by section 4 of part A of chapter 68 of the 3 laws of 2013, is amended to read as follows:

4 (B) The term "income of the business located in a tax-free NY area" 5 means [entire net] BUSINESS income [or minimum taxable income] calcu-6 lated as if the taxpayer was filing separately and the term "combined 7 group's income" means [entire net] BUSINESS income [or minimum taxable 8 income] as shown on the combined report, allocated within the state.

9 S 38. Paragraph 1 of subdivision (e) of section 40 of the tax law, as 10 added by section 4 of part A of chapter 68 of the laws of 2013, is 11 amended to read as follows:

(1) Article 9-A: section [210] 210-B, subdivision [47] 41.

13 S 39. Paragraph 1 of subsection (i) of section 660 of the tax law, as 14 amended by section 74 of part A of chapter 59 of the laws of 2014, is 15 amended to read as follows:

16 (1) Notwithstanding the provisions in subsection (a) of this section, 17 in the case of an eligible S corporation for which the election under 18 subsection (a) of this section is not in effect for the current taxable 19 year, the shareholders of an eligible S corporation are deemed to have made that election effective for the eligible S corporation's entire 20 21 current taxable year, if the eligible S corporation's investment income 22 the current taxable year is more than fifty percent of its federal for gross income for such year. In determining WHETHER an eligible S [corporation's investment income] CORPORATION IS DEEMED TO HAVE MADE THAT 23 24 25 ELECTION, the [investment] income of a qualified subchapter S subsidiary 26 owned directly or indirectly by the eligible S corporation shall be included WITH THE INCOME OF THE ELIGIBLE S CORPORATION. 27

28 S 40. Subdivision 41 of section 210-B of the tax law, as added by 29 section 17 of part A of chapter 59 of the laws of 2014, is amended to 30 read as follows:

31 41. The tax-free NY area tax elimination credit. A taxpayer shall be 32 allowed a credit to be computed as provided in section forty of this 33 chapter, against the tax imposed by this article. Unless the taxpayer 34 has a tax-free NY area allocation factor of one hundred percent, the credit allowed under this subdivision for any taxable year 35 shall not reduce the tax due for such year to less than the amount prescribed in 36 37 paragraph (d) of subdivision one of section two hundred ten of this 38 article. However, IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS 39 SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT OR IF 40 TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM THE AMOUNT, any amount of credit not deductible in such taxable year shall 41 treated as an overpayment of tax to be credited or refunded in 42 be 43 accordance with the provisions of section one thousand eighty-six of 44 this chapter. Provided, however, the provisions of subsection (c) of 45 section one thousand eighty-eight of this chapter notwithstanding, no 46 interest shall be paid thereon.

47 S 41. Subdivision 44 of section 210-B of the tax law, as added by 48 section 17 of part A of chapter 59 of the laws of 2014, is amended to 49 read as follows:

50 The tax-free NY area excise tax on telecommunication services 44. credit. A taxpayer that is a business or owner of a business that is 51 located in a tax-free NY area approved pursuant to article twenty-one of 52 economic development law shall be allowed a credit equal to the 53 the 54 excise tax on telecommunication services imposed by section one hundred 55 eighty-six-e of this chapter and passed through to such business during 56 the taxable year to the extent not otherwise deducted in computing 1

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income under this article. However, EXCEPT AS OTHERWISE entire net PROVIDED FOR IN THIS SUBDIVISION, IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO THE THIS AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED THE FIXED DOLLAR MINIMUM AMOUNT, any amount of credit not deductible ON in such taxable year shall be treated as an overpayment of tax to be credited or refunded in accordance with the provisions of section one thousand eighty-six of this chapter. This credit may be claimed only where any tax imposed by such section one hundred eighty-six-e has been separately stated on a bill from the provider of telecommunication services and paid by such business with respect to such services rendered within a tax-free NY area during the taxable year. Unless the taxpayer has a tax-free NY area allocation factor of one hundred percent, the credit allowed under this subdivision for any taxable year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this chapter. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no

20 interest shall be paid thereon.

21 S 42. Paragraph (b) of subdivision 47 of section 210-B of the tax law, 22 as added by section 2 of part HH of chapter 59 of the laws of 2014, is 23 amended to read as follows:

24 (b) Application of credit. The credit allowed under this subdivision 25 any taxable year shall not reduce the tax due for such year to less for 26 than the amount prescribed in paragraph (d) of subdivision one of [this] section TWO HUNDRED TEN OF THIS ARTICLE. Provided, however, that if the 27 amount of the credit allowable under this subdivision for any taxable 28 29 reduces the tax to such amount OR IF THE TAXPAYER OTHERWISE PAYS vear TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, the excess shall be treat-30 ed as an overpayment of tax to be credited or refunded in accordance 31 32 with the provisions of section one thousand eighty-six of this chapter. 33 Provided, further, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be 34 35 paid thereon.

S 43. Paragraph (b) of subdivision 48 of section 210-B of the tax law, as added by section 2 of part MM of chapter 59 of the laws of 2014, is amended to read as follows:

39 (b) Carryover. The credit allowed under this subdivision for any taxa-40 ble year shall not reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of [this] section 41 TWO HUNDRED TEN OF THIS ARTICLE. However, if the amount of credit allow-42 43 able under this subdivision for any taxable year reduces the tax to such 44 amount OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR 45 MINIMUM AMOUNT, any amount of credit not deductible in such taxable year may be carried over to the following three years, and may be deducted 46 47 from the qualified employer's tax for such years.

S 44. This act shall take effect immediately and shall be deemed to be in full force and effect on the same date as part A of chapter 59 of the laws of 2014, provided, however, that the amendments to paragraph (b) of subdivision 47 and paragraph (b) of subdivision 48 of section 210-B of the tax law made by sections forty-two and forty-three of this act shall not affect the repeal of such subdivisions and shall be deemed to repeal therewith. 1 Section 1. Paragraph 33 of subdivision (a) of section 1115 of the tax 2 law, as added by section 99 of part A of chapter 389 of the laws of 3 1997, is amended to read as follows:

4 (33) Wine or wine product, AND THE BOTTLES, CORKS, CAPS, AND LABELS 5 USED TO PACKAGE SUCH WINE OR WINE PRODUCT, furnished by the official 6 agent of a farm winery, winery, wholesaler, or importer at a wine tast-7 ing held in accordance with [section eighty of] the alcoholic beverage 8 control law to a customer or prospective customer who consumes such wine 9 at such wine tasting.

10 S 2. Section 1118 of the tax law is amended by adding a new subdivi-11 sion (13) to read as follows:

12 (13) IN RESPECT TO THE USE OF THE FOLLOWING ITEMS AT A TASTING HELD BY A LICENSED BREWERY, FARM BREWERY, CIDER PRODUCER, FARM CIDERY, DISTIL-13 14 OR FARM DISTILLERY IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGE LERY 15 CONTROL LAW: (I) THE ALCOHOLIC BEVERAGE OR BEVERAGES AUTHORIZED BY THE ALCOHOLIC BEVERAGE CONTROL LAW TO BE FURNISHED AT NO CHARGE TO A CUSTOM-16 17 ER OR PROSPECTIVE CUSTOMER AT SUCH TASTING FOR CONSUMPTION AT SUCH TAST-18 ING; AND (II) BOTTLES, CORKS, CAPS AND LABELS USED TO PACKAGE SUCH ALCO-19 HOLIC BEVERAGES.

20 S 3. This act shall take effect immediately, provided, however, 21 section two of this act shall take effect June 1, 2015 and shall apply 22 in accordance with the transition provisions of section 1106 and 1217 of 23 the tax law.

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## PART V

25 Section 1. Paragraph 22 of subdivision (b) of section 1101 of the tax 26 law, as amended by chapter 651 of the laws of 1999, is amended to read 27 as follows:

(22) (A) "Prepaid telephone calling service" means the right to exclu-28 sively purchase telecommunication services, that must be paid for in 29 30 advance and enable the origination of one or more intrastate, interstate 31 or international telephone calls using an access number (such as a toll 32 free network access number) and/or authorization code, whether manually or electronically dialed, for which payment to a vendor must be made in 33 advance, whether or not that right is represented by the transfer by the 34 35 vendor to the purchaser of an item of tangible personal property. SUCH TERM, EXCEPT WITH RESPECT TO THE TAX IMPOSED BY SECTION ONE HUNDRED EIGHTY-SIX-E OF ARTICLE NINE OF THIS CHAPTER, INCLUDES A PREPAID MOBILE 36 37 38 CALLING SERVICE. In no event shall a credit card constitute a prepaid telephone calling service. If the sale or recharge of a prepaid tele-39 phone calling service does not take place at the vendor's place of busi-40 41 ness, it shall be conclusively determined to take place at the purchas-42 er's shipping address or, if there is no item shipped, at the purchaser's billing address or the location associated with the purchas-43 er's mobile telephone number, OR, IF THE VENDOR DOES NOT 44 HAVE THE 45 ADDRESS OR THE LOCATION ASSOCIATED WITH THE CUSTOMER'S MOBILE TELEPHONE 46 NUMBER, AT SUCH ADDRESS, AS APPROVED BY THE COMMISSIONER, THAT REASON-47 ABLY REFLECTS THE CUSTOMER'S LOCATION AT THE TIME OF THE SALE OR 48 RECHARGE.

49 (B) "PREPAID MOBILE CALLING SERVICE" MEANS THE RIGHT TO USE A COMMER-MOBILE RADIO SERVICE, WHETHER OR NOT SOLD WITH OTHER PROPERTY OR 50 CIAL SERVICES, THAT MUST BE PAID FOR IN ADVANCE AND IS SOLD FOR USE 51 OVER Α 52 SPECIFIED PERIOD OF TIME OR IN PREDETERMINED UNITS OR DOLLARS THAT DECLINE WITH USE IN A KNOWN AMOUNT, WHETHER OR NOT THAT RIGHT IS REPRES-53

ENTED BY OR INCLUDES THE TRANSFER TO THE PURCHASER OF AN ITEM OF TANGI- BLE PERSONAL PROPERTY. S 2. This act shall take effect immediately.
PART W
Intentionally Omitted
PART X
Intentionally Omitted
PART Y
Intentionally Omitted
PART Z
<pre>Section 1. Subdivision (ee) of section 1115 of the tax law, as added by chapter 306 of the laws of 2005, is amended to read as follows: (ee) THE FOLLOWING SHALL BE EXEMPT FROM TAX UNDER THIS ARTICLE: (1) Receipts from the retail sale of, AND CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, residential solar energy systems equipment and [of] the service of installing such systems [shall be exempt from tax under this article]. For the purposes of this subdivi- sion, "residential solar energy systems equipment" shall mean an arrangement or combination of components installed in a residence that utilizes solar radiation to produce energy designed to provide heating, cooling, hot water and/or electricity. Such arrangement or components shall not include equipment that is part of a non-solar energy system or which uses any sort of recreational facility or equipment as a storage medium. (2) RECEIPTS FROM THE SALE OF ELECTRICITY BY A PERSON PRIMARILY ENGAGED IN THE SALE OF SOLAR ENERGY SYSTEM EQUIPMENT AND/OR ELECTRICITY GENERATED BY SUCH EQUIPMENT PURSUANT TO A WRITTEN AGREEMENT UNDER WHICH SUCH ELECTRICITY IS GENERATED BY RESIDENTIAL SOLAR ENERGY SYSTEM EQUIP- MENT THAT IS: (A) OWNED BY A PERSON OTHER THAN THE PURCHASER OF SUCH ELECTRICITY; (B) INSTALLED ON RESIDENTIAL PROPERTY OF THE PURCHASER OF SUCH ELECTRICITY; AND (C) USED TO PROVIDE HEATING, COOLING, HOT WATER OR ELECTRICITY TO SUCH PROPERTY. S 2. Subdivision (ii) of section 1115 of the tax law, as amended by</pre>

34 chapter 13 of the laws of 2013, is amended to read as follows: 35 (ii) THE FOLLOWING SHALL BE EXEMPT FROM TAX UNDER THIS ARTICLE: (1) 36 Receipts from the retail sale of, AND CONSIDERATION GIVEN OR CONTRACTED 37 BE GIVEN FOR, OR FOR THE USE OF, commercial solar energy systems ΤO 38 equipment and [of] the service of installing such systems [shall be 39 exempt from taxes imposed by sections eleven hundred five and eleven 40 hundred ten of this article]. For the purposes of this subdivision, "commercial solar energy systems equipment" shall mean an arrangement or 41 42 combination of components installed upon non-residential premises that 43 utilize solar radiation to produce energy designed to provide heating, cooling, hot water and/or electricity. Such arrangement or components 44 shall not include equipment that is part of a non-solar energy system. 45

1 (2) RECEIPTS FROM THE SALE OF ELECTRICITY BY A PERSON PRIMARILY 2 IN THE SALE OF SOLAR ENERGY SYSTEM EQUIPMENT AND/OR ELECTRICITY ENGAGED 3 GENERATED BY SUCH EQUIPMENT PURSUANT TO A WRITTEN AGREEMENT UNDER WHICH 4 THE ELECTRICITY IS GENERATED BY COMMERCIAL SOLAR ENERGY SYSTEM EQUIPMENT 5 IS: (A) OWNED BY A PERSON OTHER THAN THE PURCHASER OF SUCH ELEC-THAT 6 TRICITY; (B) INSTALLED ON THE NON-RESIDENTIAL PREMISES OF THE PURCHASER 7 OF SUCH ELECTRICITY; AND (C) USED TO PROVIDE HEATING, COOLING, HOT WATER 8 OR ELECTRICITY TO SUCH PREMISES.

9 S 3. Paragraphs 1 and 4 of subdivision (a) of section 1210 of the tax 10 law, paragraph 1 as amended by chapter 13 of the laws of 2013, and para-11 graph 4 as amended by chapter 200 of the laws of 2009, are amended to 12 read as follows:

13 (1) Either, all of the taxes described in article twenty-eight of this 14 chapter, at the same uniform rate, as to which taxes all provisions of 15 the local laws, ordinances or resolutions imposing such taxes shall be 16 identical, except as to rate and except as otherwise provided, with the 17 corresponding provisions in such article twenty-eight, including the definition and exemption provisions of such article, so far as the 18 19 provisions of such article twenty-eight can be made applicable to the taxes imposed by such city or county and with such limitations and special provisions as are set forth in this article. The taxes author-20 21 22 ized under this subdivision may not be imposed by a city or county unless the local law, ordinance or resolution imposes such taxes so as 23 include all portions and all types of receipts, charges or rents, 24 to 25 subject to state tax under sections eleven hundred five and eleven hundred ten of this chapter, except as otherwise provided. (i) Any local 26 law, ordinance or resolution enacted by any city of less than one million or by any county or school district, imposing the taxes author-27 28 29 ized by this subdivision, shall, notwithstanding any provision of law to 30 contrary, exclude from the operation of such local taxes all sales the of tangible personal property for use or consumption directly and 31 32 predominantly in the production of tangible personal property, gas, electricity, refrigeration or steam, for sale, by manufacturing, proc-33 essing, generating, assembly, refining, mining or extracting; and all sales of tangible personal property for use or consumption predominantly 34 35 either in the production of tangible personal property, for 36 sale, by farming or in a commercial horse boarding operation, or in both; and, 37 unless such city, county or school district elects otherwise, shall omit the provision for credit or refund contained in clause six of subdivi-38 39 40 sion (a) or subdivision (d) of section eleven hundred nineteen of this chapter. (ii) Any local law, ordinance or resolution enacted by 41 any city, county or school district, imposing the taxes authorized by this 42 43 subdivision, shall omit the residential solar energy systems equipment 44 AND ELECTRICITY exemption provided for in subdivision (ee), the commer-45 cial solar energy systems equipment AND ELECTRICITY exemption provided for in subdivision (ii) and the clothing and footwear exemption provided 46 47 in paragraph thirty of subdivision (a) of section eleven hundred for fifteen of this chapter, unless such city, county or school district elects otherwise as to either such residential solar energy systems 48 49 50 equipment AND ELECTRICITY exemption, such commercial solar energy 51 systems equipment AND ELECTRICITY exemption or such clothing and foot-52 wear exemption.

53 (4) Notwithstanding any other provision of law to the contrary, any 54 local law enacted by any city of one million or more that imposes the 55 taxes authorized by this subdivision (i) may omit the exception provided 56 in subparagraph (ii) of paragraph three of subdivision (c) of section

eleven hundred five of this chapter for receipts from laundering, dry-1 2 cleaning, tailoring, weaving, pressing, shoe repairing and shoe shining; 3 (ii) may impose the tax described in paragraph six of subdivision (c) of 4 section eleven hundred five of this chapter at a rate in addition to the 5 rate prescribed by this section not to exceed two percent in multiples 6 of one-half of one percent; (iii) shall provide that the tax described 7 paragraph six of subdivision (c) of section eleven hundred five of in this chapter does not apply to facilities owned and operated by the city 8 9 or an agency or instrumentality of the city or a public corporation the 10 majority of whose members are appointed by the chief executive officer 11 of the city or the legislative body of the city or both of them; (iv) shall not include any tax on receipts from, or the use of, the services 12 13 described in paragraph seven of subdivision (c) of section eleven 14 hundred five of this chapter; (v) shall provide that, for purposes of 15 the tax described in subdivision (e) of section eleven hundred five of this chapter, "permanent resident" means any occupant of any room or 16 17 rooms in a hotel for at least one hundred eighty consecutive days with 18 regard to the period of such occupancy; (vi) may omit the exception 19 provided in paragraph one of subdivision (f) of section eleven hundred 20 five of this chapter for charges to a patron for admission to, or use 21 of, facilities for sporting activities in which the patron is to be a 22 participant, such as bowling alleys and swimming pools; (vii) may 23 provide the clothing and footwear exemption in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, and, 24 25 notwithstanding any provision of subdivision (d) of this section to the 26 contrary, any local law providing for such exemption or repealing such exemption, may go into effect on any one of the following dates: March 27 28 June first, September first or December first; (viii) shall omit first, 29 the exemption provided in paragraph forty-one of subdivision of (a) 30 section eleven hundred fifteen of this chapter; (ix) shall omit the exemption provided in subdivision (c) of section eleven hundred fifteen 31 32 of this chapter insofar as it applies to fuel, gas, electricity, refrig-33 eration and steam, and gas, electric, refrigeration and steam service of 34 whatever nature for use or consumption directly and exclusively in the 35 production of gas, electricity, refrigeration or steam; (x) shall omit, unless such city elects otherwise, the provision for refund or credit 36 37 contained in clause six of subdivision (a) or in subdivision (d) of section eleven hundred nineteen of this chapter; [and] (xi) shall 38 provide that section eleven hundred five-C of 39 this chapter does not 40 apply to such taxes, and shall tax receipts from every sale, other than sales for resale, of gas service or electric service of whatever nature, 41 including the transportation, transmission or distribution of 42 qas or 43 electricity, even if sold separately, at the rate set forth in clause 44 one of subparagraph (i) of the opening paragraph of this section; (XII) 45 SHALL OMIT, UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR RESI-46 DENTIAL SOLAR ENERGY SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED IN 47 SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER; AND 48 (XIII) SHALL OMIT, UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR 49 COMMERCIAL SOLAR ENERGY SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED IN 50 SUBDIVISION (II) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER. ANY 51 THIS CHAPTER OR IN ANY LOCAL LAW, ORDINANCE OR RESOLUTION REFERENCE INENACTED PURSUANT TO THE AUTHORITY OF THIS ARTICLE TO FORMER SUBDIVISIONS 52 (N) OR (P) OF THIS SECTION SHALL BE DEEMED TO BE A REFERENCE TO 53 CLAUSES (XII) OR (XIII) OF THIS PARAGRAPH, RESPECTIVELY, AND ANY SUCH LOCAL LAW, 54 55 RESOLUTION THAT PROVIDES THE EXEMPTIONS PROVIDED IN SUCH ORDINANCE OR 56 FORMER SUBDIVISIONS (N) AND/OR (P) SHALL BE DEEMED INSTEAD TO PROVIDE 1 THE EXEMPTIONS PROVIDED IN CLAUSES (XII) AND/OR (XIII) OF THIS 2 PARAGRAPH.

3 S 4. Paragraph 1 and subparagraph (i) of paragraph 3 of subdivision 4 (b) of section 1210 of the tax law, paragraph 1 as amended by section 36 5 of part S-1 of chapter 57 of the laws of 2009, and subparagraph (i) of 6 paragraph 3 as amended by section 3 of part B of chapter 35 of the laws 7 of 2006, are amended to read as follows:

8 (1) Or, one or more of the taxes described in subdivisions (b), (d), 9 (e) and (f) of section eleven hundred five of this chapter, at the same 10 uniform rate, including the transitional provisions in section eleven 11 hundred six of this chapter covering such taxes, but not the taxes 12 described in subdivisions (a) and (c) of section eleven hundred five of 13 this chapter. Provided, further, that where the tax described in subdi-14 vision (b) of section eleven hundred five of this chapter is imposed, 15 the compensating use taxes described in clauses (E), (G) and (H) of subdivision (a) of section eleven hundred ten of this chapter shall also 16 17 be imposed. Provided, further, that where the taxes described in subdivision (b) of section eleven hundred five are imposed, such taxes shall 18 19 omit: (A) the provision for refund or credit contained in subdivision (d) of section eleven hundred nineteen of this chapter with respect to 20 21 such taxes described in such subdivision (b) of section eleven hundred 22 five unless such city or county elects to provide such provision or, if 23 so elected, to repeal such provision; (B) THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED FIFTEEN OF 24 25 THIS CHAPTER UNLESS SUCH COUNTY OR CITY ELECTS OTHERWISE; AND (C) THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (II) OF SECTION ELEV-26 27 HUNDRED FIFTEEN OF THIS CHAPTER, UNLESS SUCH COUNTY OR CITY ELECTS EN28 OTHERWISE.

29 (i) Notwithstanding any other provision of law to the contrary but not with respect to cities subject to the provisions of section eleven 30 hundred eight of this chapter, any city or county, except a county whol-31 32 contained within a city, may provide that the tax imposed, pursuant ly 33 to this subdivision, by such city or county on the sale, other than for resale, of propane (except when sold in containers of less than one 34 hundred pounds), natural gas, electricity, steam and gas, 35 electric and steam services of whatever nature used for residential purposes and on 36 37 the use of gas or electricity used for residential purposes may be imposed at a lower rate than the uniform local rate imposed pursuant to 38 the opening paragraph of this section, as long as such rate is one of 39 40 the rates authorized by such paragraph or such sale or use may be exempted from such taxes. Provided, however, such lower rate must apply 41 to all such energy sources and services and at the same rate and no such 42 43 exemption, OTHER THAN THE EXEMPTION PROVIDED FOR IN SUBDIVISION (EE) OF 44 SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, IF SUCH EXEMPTION IS 45 ELECTED BY SUCH CITY OR COUNTY, may be enacted unless such exemption applies to all such energy sources and services. 46

47 S 4-a. Subdivision (d) of section 1210 of the tax law, as amended by 48 section 37 of part S-1 of chapter 57 of the laws of 2009, is amended to 49 read as follows:

50 (d) A local law, ordinance or resolution imposing any tax pursuant to 51 section, increasing or decreasing the rate of such tax, repealing this or suspending such tax, exempting from such tax the energy sources and 52 services described in paragraph three of subdivision (a) or of subdivi-53 54 sion (b) of this section or changing the rate of tax imposed on such 55 energy sources and services or providing for the credit or refund described in clause six of subdivision (a) of section eleven hundred 56

nineteen of this chapter, OR ELECTING OR REPEALING THE EXEMPTION FOR 1 RESIDENTIAL SOLAR EQUIPMENT AND ELECTRICITY 2 IN SUBDIVISION (EE)OF 3 SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE, OR THE EXEMPTION FOR 4 COMMERCIAL SOLAR EQUIPMENT AND ELECTRICITY IN SUBDIVISION (II) OF 5 SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE must go into effect only 6 one of the following dates: March first, June first, September first on or December first; provided, that a local law, ordinance or resolution 7 8 providing for the exemption described in paragraph thirty of subdivision 9 (a) of section eleven hundred fifteen of this chapter or repealing any 10 such exemption or a local law, ordinance or resolution providing for а 11 refund or credit described in subdivision (d) of section eleven hundred 12 nineteen of this chapter or repealing such provision so provided must go into effect only on March first. No such local law, ordinance or resol-13 14 ution shall be effective unless a certified copy of such law, ordinance 15 or resolution is mailed by registered or certified mail to the commis-16 sioner at the commissioner's office in Albany at least ninety days prior the date it is to become effective. However, the commissioner may 17 to 18 waive and reduce such ninety-day minimum notice requirement to a mailing of such certified copy by registered or certified mail within a period 19 20 of not less than thirty days prior to such effective date if the commis-21 sioner deems such action to be consistent with the commissioner's duties 22 under section twelve hundred fifty of this article and the commissioner 23 acts by resolution. Where the restriction provided for in section twelve 24 hundred twenty-three of this article as to the effective date of a tax 25 the notice requirement provided for therein are applicable and have and 26 not been waived, the restriction and notice requirement in section 27 twelve hundred twenty-three of this article shall also apply.

28 S 5. Subdivisions (n) and (p) of section 1210 of the tax law are 29 REPEALED.

30 S 6. Subdivision (a) of section 1212 of the tax law, as amended by 31 section 40 of part S-1 of chapter 57 of the laws of 2009, is amended to 32 read as follows:

33 (a) Any school district which is coterminous with, partly within or 34 wholly within a city having a population of less than one hundred twen-35 ty-five thousand, is hereby authorized and empowered, by majority vote the whole number of its school authorities, to impose for school 36 of district purposes, within the territorial limits of such school district 37 38 and without discrimination between residents and nonresidents thereof, taxes described in subdivision (b) of section eleven hundred five 39 the 40 (but excluding the tax on prepaid telephone calling services) and the taxes described in clauses (E) and (H) of subdivision (a) of section 41 eleven hundred ten, including the transitional provisions in subdivision 42 43 (b) of section eleven hundred six of this chapter, so far as such 44 provisions can be made applicable to the taxes imposed by such school 45 district and with such limitations and special provisions as are set forth in this article, such taxes to be imposed at the rate of one-half, 46 47 one, one and one-half, two, two and one-half or three percent which rate 48 shall be uniform for all portions and all types of receipts and uses subject to such taxes. In respect to such taxes, all provisions of 49 the 50 imposing them, except as to rate and except as otherwise resolution 51 provided herein, shall be identical with the corresponding provisions in such article twenty-eight of this chapter, including the applicable 52 definition and exemption provisions of such article, so far as the provisions of such article twenty-eight of this chapter can be made 53 54 55 applicable to the taxes imposed by such school district and with such 56 limitations and special provisions as are set forth in this article. The

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taxes described in subdivision (b) of section eleven hundred five (but 1 2 excluding the tax on prepaid telephone calling service) and clauses (E) 3 and (H) of subdivision (a) of section eleven hundred ten, including the 4 transitional provision in subdivision (b) of such section eleven hundred six of this chapter, may not be imposed by such school district unless 5 6 the resolution imposes such taxes so as to include all portions and all 7 types of receipts and uses subject to tax under such subdivision (but 8 excluding the tax on prepaid telephone calling service) and clauses. Provided, however, that, where a school district imposes such taxes, 9 10 such taxes shall omit the provision for refund or credit contained in subdivision (d) of section eleven hundred nineteen of this chapter with 11 respect to such taxes described in such subdivision (b) of section elev-12 en hundred five unless such school district elects to provide 13 such provision or, if so elected, to repeal such provision, AND SHALL OMIT 14 THE EXEMPTIONS PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (EE) 15 AND PARA-16 GRAPH TWO OF SUBDIVISION (II) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER UNLESS SUCH SCHOOL DISTRICT ELECTS OTHERWISE. 17

18 S 7. Section 1224 of the tax law is amended by adding a new subdivi-19 sion (c-1) to read as follows:

20 (C-1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW: (1) WHERE A COUNTY 21 CONTAINING ONE OR MORE CITIES WITH A POPULATION OF LESS THAN ONE MILLION 22 HAS ELECTED THE EXEMPTION FOR RESIDENTIAL SOLAR ENERGY SYSTEMS EQUIPMENT 23 AND ELECTRICITY PROVIDED IN SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED THE EXEMPTION FOR COMMERCIAL SOLAR ENERGY 24 FIFTEEN OF THIS CHAPTER, 25 SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED IN SUBDIVISION (II) OF SUCH 26 SECTION ELEVEN HUNDRED FIFTEEN, OR BOTH SUCH EXEMPTIONS, A CITY WITHIN SUCH COUNTY SHALL HAVE THE PRIOR RIGHT TO IMPOSE 27 TAX ON SUCH EXEMPT EQUIPMENT AND/OR ELECTRICITY TO THE EXTENT OF ONE HALF OF THE MAXIMUM 28 RATES AUTHORIZED UNDER SUBDIVISION (A) OF SECTION TWELVE HUNDRED TEN 29 OF 30 THIS ARTICLE;

(2) WHERE A CITY OF LESS THAN ONE MILLION HAS ELECTED THE EXEMPTION 31 32 FOR RESIDENTIAL SOLAR ENERGY SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED 33 SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, IN 34 THE EXEMPTION FOR COMMERCIAL SOLAR ENERGY SYSTEMS EOUIPMENT AND ELEC-35 SUBDIVISION (II) OF SUCH SECTION ELEVEN HUNDRED TRICITY PROVIDED IN FIFTEEN, OR BOTH SUCH EXEMPTIONS, THE COUNTY 36 IN WHICH SUCH CITY IS 37 LOCATED SHALL HAVE THE PRIOR RIGHT TO IMPOSE TAX ON SUCH EXEMPT EQUIP-38 MENT AND/OR ELECTRICITY TO THE EXTENT OF ONE HALF OF THE MAXIMUM RATES 39 AUTHORIZED UNDER SUBDIVISION (A) OF SECTION TWELVE HUNDRED TEN OF THIS 40 ARTICLE.

41 S 8. This act shall take effect December 1, 2015 and shall apply in 42 accordance with the applicable transitional provisions in sections 1106 43 and 1217 of the tax law.

44

## PART AA

45 Section 1. Subdivision (f) of section 301-c of the tax law, as amended 46 by section 23 of part K of chapter 61 of the laws of 2011, is amended to 47 read as follows:

(f) Motor fuel AND HIGHWAY DIESEL MOTOR FUEL used for farm production.
No more than one thousand five hundred gallons of motor fuel AND NO MORE
THAN FOUR THOUSAND FIVE HUNDRED GALLONS OF HIGHWAY DIESEL MOTOR FUEL
purchased in this state in a thirty-day period or a greater amount which
has been given prior clearance by the commissioner, by a consumer for
use or consumption directly and exclusively in the production for sale
of tangible personal property by farming, but only if all of such MOTOR

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fuel OR HIGHWAY DIESEL MOTOR FUEL is delivered on the farm site and is 1 consumed other than on the public highways of this state (except for the 2 3 of the public highway to reach adjacent farmlands). This reimburseuse 4 ment to such purchaser who used such motor fuel OR HIGHWAY DIESEL MOTOR 5 FUEL in the manner specified in this subdivision may be claimed only the tax imposed pursuant to this article has been paid with б where, (i) 7 respect to such motor fuel OR HIGHWAY DIESEL MOTOR FUEL and the entire 8 such tax has been absorbed by such purchaser, and (ii) such amount of 9 purchaser possesses documentary proof satisfactory to the commissioner 10 evidencing the absorption by it of the entire amount of the tax imposed pursuant to this article. Provided, however, that the commissioner shall 11 12 require such documentary proof to qualify for any reimbursement of tax provided by this subdivision as the commissioner deems appropriate. The 13 14 commissioner is hereby empowered to make such provisions as deemed 15 necessary to define the procedures for granting prior clearance for purchases of more than one thousand five hundred gallons OF MOTOR FUEL 16 FOUR THOUSAND FIVE HUNDRED GALLONS OF HIGHWAY DIESEL MOTOR FUEL in a 17 OR 18 thirty-day period.

19 S 2. This act shall take effect immediately.

# PART BB

21 Section 1. Subsection (b) of section 952 of the tax law, as amended by section 2 of part X of chapter 59 of the laws of 2014, is amended to 22 23 read as follows: 24 (b) Computation of tax. The tax imposed by this section shall be 25 computed on the deceased resident's New York taxable estate as follows: [In the case of decedents dying on or after April 1, 2014 and before 26 27 April 1, 2015] 28 If the New York taxable estate is: The tax is: 3.06% of taxable estate 29 Not over \$500,000 30 Over \$500,000 but not over \$1,000,000 \$15,300 plus 5.0% of excess over 31 \$500,000 32 Over \$1,000,000 but not over \$1,500,000 \$40,300 plus 5.5% of excess over \$1,000,000 33 Over \$1,500,000 but not over \$2,100,000 \$67,800 plus 6.5% of excess over 34 35 \$1,500,000 36 Over \$2,100,000 but not over \$2,600,000 \$106,800 plus 8.0% of excess 37 over \$2,100,000 Over \$2,600,000 but not over \$3,100,000 \$146,800 plus 8.8% of excess over 38 39 \$2,600,000 Over \$3,100,000 but not over \$3,600,000 \$190,800 plus 9.6% of excess over 40 41 \$3,100,000 42 Over \$3,600,000 but not over \$4,100,000 \$238,800 plus 10.4% of excess over \$3,600,000 43 Over \$4,100,000 but not over \$5,100,000 \$290,800 plus 11.2% of excess 44 over \$4,100,000 45 46 Over \$5,100,000 but not over \$6,100,000 \$402,800 plus 12.0% of excess 47 over \$5,100,000 Over \$6,100,000 but not over \$7,100,000 \$522,800 plus 12.8% of excess 48 over \$6,100,000 49 Over \$7,100,000 but not over \$8,100,000 \$650,800 plus 13.6% of excess 50 51 over \$7,100,000 52 Over \$8,100,000 but not over \$9,100,000 \$786,800 plus 14.4% of excess over \$8,100,000 53 54 Over \$9,100,000 but not over \$930,800 plus 15.2% of excess over

\$10,100,000 \$9,100,000 1 2 \$1,082,800 plus 16.0% of excess Over \$10,100,000 3 over \$10,100,000 4 S 2. Paragraph 3 of subsection (a) of section 954 of the tax law, as 5 added by section 3 of part X of chapter 59 of the laws of 2014, is 6 amended to read as follows: 7 Increased by the amount of any taxable gift under section 2503 of (3) 8 the internal revenue code not otherwise included in the decedent's 9 federal gross estate, made during the three year period ending on the 10 decedent's date of death, but not including any gift made: [(1)] (A) when the decedent was not a resident of New York state; [(2)] OR (B) 11 before April first, two thousand fourteen[; or (3)]; OR (C) THAT IS REAL 12 OR TANGIBLE PERSONAL PROPERTY HAVING AN ACTUAL SITUS OUTSIDE 13 NEW YORK 14 STATE AT THE TIME THE GIFT WAS MADE. PROVIDED, HOWEVER THAT THIS PARA-15 GRAPH SHALL NOT APPLY TO THE ESTATE OF A DECENDENT DYING on or after 16 January first, two thousand nineteen. 17 3. Subsection (b) of section 960 of the tax law, as amended by S 18 section 5 of part X of chapter 59 of the laws of 2014, is amended to 19 read as follows: 20 (b) Computation of tax. -- The tax imposed under subsection (a) shall be 21 same as the tax that would be due, if the decedent had died a resithe 22 dent, under subsection (a) of section nine hundred fifty-two, except that for purposes of computing the tax under subsection (b) of section 23 24 nine hundred fifty-two, "New York taxable estate" shall not include the 25 OR ANY DEDUCTION ALLOWABLE UNDER THE INTERNAL REVENUE CODE of, value 26 RELATED TO, any intangible personal property otherwise includible in the 27 deceased individual's New York gross estate, and shall not include the 28 amount of any gift unless such gift consists of real or tangible 29 personal property having an actual situs in New York state or intangible personal property employed in a business, trade or profession carried on 30 in this state. 31 32 S 4. This act shall take effect immediately and shall be deemed to 33 have been in full force and effect on and after April 1, 2014. 34 PART CC 35 Intentionally Omitted 36 PART DD Section 1. Section 2 of part Q of chapter 59 of the laws of 2013, 37 amending the tax law relating to serving an income execution with 38 respect to individual tax debtors without filing a warrant, is amended 39 40 to read as follows: 41 S 2. This act shall take effect immediately and shall expire and be deemed repealed on and after April 1, [2015] 2017. 42 43 S 2. This act shall take effect immediately. 44 PART EE 45 Intentionally Omitted 46 PART FF

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1	In	tentionally Omitted	
2		PART GG	
3	In	tentionally Omitted	
4		PART HH	
5	In	tentionally Omitted	
6		PART II	
7	In	tentionally Omitted	
8		PART JJ	
9	In	tentionally Omitted	
10		PART KK	
11	In	tentionally Omitted	
12		PART LL	
13	In	tentionally Omitted	
14		PART MM	
15	Section 1. Clause (H) of		

16 sion b of section 1612 of the tax law, as amended by section 1 of part BB of chapter 59 of the laws of 2014, is amended to read as follows: 17 18 (H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of 19 this subparagraph, the track operator of a vendor track shall be eligible for a vendor's capital award of up to four percent of the total 20 revenue wagered at the vendor track after payout for prizes pursuant to 21 22 this chapter, which shall be used exclusively for capital project 23 investments to improve the facilities of the vendor track which promote 24 encourage increased attendance at the video lottery gaming facility or 25 including, but not limited to hotels, other lodging facilities, enter-26 facilities, retail facilities, dining facilities, tainment events 27 arenas, parking garages and other improvements that enhance facility 28 provided that such capital investments shall be approved by amenities; 29 the division, in consultation with the state racing and wagering board, 30 that such vendor track demonstrates that such capital expenditures and 31 will increase patronage at such vendor track's facilities and increase 32 the amount of revenue generated to support state education programs. The 33 amount of such vendor's capital awards that a vendor track shall annual 34 be eligible to receive shall be limited to two million five hundred 35 thousand dollars, except for Aqueduct racetrack, for which there shall

be no vendor's capital awards. Except for tracks having less than one 1 2 thousand one hundred video gaming machines, and except for a vendor 3 track located west of State Route 14 from Sodus Point to the Pennsylva-4 nia border within New York, each track operator shall be required to co-invest an amount of capital expenditure equal to its cumulative vendor's capital award. For all tracks, except for Aqueduct racetrack, 5 6 7 the amount of any vendor's capital award that is not used during any one year period may be carried over into subsequent years ending before 8 April first, two thousand [fifteen] SIXTEEN. Any amount attributable to 9 10 a capital expenditure approved prior to April first, two thousand [fifteen] SIXTEEN and completed before April first, two thousand [seven-11 EIGHTEEN; or approved prior to April first, two thousand [nine-12 teen] teen] TWENTY and completed before April first, two thousand [twenty-one] 13 TWENTY-TWO for a vendor track located west of State Route 14 from Sodus 14 15 Point to the Pennsylvania border within New York, shall be eligible to receive the vendor's capital award. In the event that a vendor track's 16 17 capital expenditures, approved by the division prior to April first, two 18 thousand [fifteen] SIXTEEN and completed prior to April first, two thou-19 sand [seventeen] EIGHTEEN, exceed the vendor track's cumulative capital 20 award during the five year period ending April first, two thousand 21 [fifteen] SIXTEEN, the vendor shall continue to receive the capital award after April first, two thousand [fifteen] SIXTEEN until such 22 23 approved capital expenditures are paid to the vendor track subject to 24 any required co-investment. In no event shall any vendor track that 25 receives a vendor fee pursuant to clause (F) or (G) of this subparagraph 26 be eligible for a vendor's capital award under this section. Any operator of a vendor track which has received a vendor's capital award, choosing to divest the capital improvement toward which the award was 27 28 29 applied, prior to the full depreciation of the capital improvement in accordance with generally accepted accounting principles, shall reim-30 burse the state in amounts equal to the total of any such awards. 31 Any 32 capital award not approved for a capital expenditure at a video lottery gaming facility by April first, two thousand [fifteen] SIXTEEN shall be 33 deposited into the state lottery fund for education aid; and 34 S 2. This act shall take effect immediately. 35

36

#### PART NN

37 Section 1. Paragraph (a) of subdivision 1 of section 1003 of the 38 racing, pari-mutuel wagering and breeding law, as amended by section 1 39 of part AA of chapter 59 of the laws of 2014, is amended to read as 40 follows:

41 (a) Any racing association or corporation or regional off-track 42 betting corporation, authorized to conduct pari-mutuel wagering under 43 this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the 44 45 conditions provided for in this article may apply to the commission for 46 а license so to do. Applications for licenses shall be in such form as 47 may be prescribed by the commission and shall contain such information 48 other material or evidence as the commission may require. No license or 49 shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. 50 The fee for such licenses shall be five hundred dollars per simulcast facility 51 52 and for account wagering licensees that do not operate either a simul-53 cast facility that is open to the public within the state of New York or licensed racetrack within the state, twenty thousand dollars per year 54 а

payable by the licensee to the commission for deposit into the general 1 Except as provided in this section, the commission shall not 2 fund. 3 approve any application to conduct simulcasting into individual or group 4 residences, homes or other areas for the purposes of or in connection 5 with pari-mutuel wagering. The commission may approve simulcasting into б residences, homes or other areas to be conducted jointly by one or more 7 regional off-track betting corporations and one or more of the followa franchised corporation, thoroughbred racing corporation or a 8 ing: harness racing corporation or association; provided (i) the simulcasting 9 10 consists only of those races on which pari-mutuel betting is authorized this chapter at one or more simulcast facilities for each of the 11 by contracting off-track betting corporations which shall include wagers 12 made in accordance with section one thousand fifteen, one thousand 13 14 sixteen and one thousand seventeen of this article; provided further 15 that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on 16 17 January first, two thousand five; (ii) that each off-track betting 18 corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues 19 20 21 shall be subject to contractual agreement of the parties except that 22 statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall 23 prevent a track from televising its races on an irregular basis primari-24 25 ly for promotional or marketing purposes as found by the commission. For 26 purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nine-27 28 29 teen hundred ninety-five, may, and all its terms, be extended until June 30 thirtieth, two thousand [fifteen] SIXTEEN; provided, however, that any party to such agreement may elect to terminate such agreement upon 31 32 conveying written notice to all other parties of such agreement at least 33 forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of 34 an intent to terminate, may request the commission to mediate between the 35 parties new terms and conditions in a replacement agreement between 36 the 37 parties as will permit continuation of an in-home experiment until June 38 thirtieth, two thousand [fifteen] SIXTEEN; and (iv) no in-home simul-39 casting in the thoroughbred special betting district shall occur without 40 the approval of the regional thoroughbred track.

S 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part AA of chapter 59 of the laws of 2014, is amended to 44 read as follows:

45 (iii) Of the sums retained by a receiving track located in Westchester on races received from a franchised corporation, for the period 46 county 47 commencing January first, two thousand eight and continuing through June thirtieth, two thousand [fifteen] SIXTEEN, the amount used exclusively 48 for purses to be awarded at races conducted by such receiving track 49 50 shall be computed as follows: of the sums so retained, two and one-half 51 percent of the total pools. Such amount shall be increased or decreased in the amount of fifty percent of the difference in total commissions 52 determined by comparing the total commissions available after July twen-53 54 ty-first, nineteen hundred ninety-five to the total commissions that 55 would have been available to such track prior to July twenty-first, 56 nineteen hundred ninety-five.

1 S 3. The opening paragraph of subdivision 1 of section 1014 of the 2 racing, pari-mutuel wagering and breeding law, as amended by section 3 3 of part AA of chapter 59 of the laws of 2014, is amended to read as 4 follows:

5 The provisions of this section shall govern the simulcasting of races 6 conducted at thoroughbred tracks located in another state or country on 7 any day during which a franchised corporation is conducting a race meet-8 ing in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [fifteen] SIXTEEN and on any day regardless of 9 10 whether or not a franchised corporation is conducting a race meeting in 11 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [fifteen] SIXTEEN. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing 12 13 14 corporation located within the state is conducting racing, every off-15 track betting corporation branch office and every simulcasting facility 16 licensed in accordance with section one thousand seven (that have entered into a written agreement with such facility's representative 17 18 horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to 19 accept wagers and display the live simulcast signal from thoroughbred 20 21 tracks located in another state or foreign country subject to the 22 following provisions:

23 S 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering 24 and breeding law, as amended by section 4 of part AA of chapter 59 of 25 the laws of 2014, is amended to read as follows:

1. The provisions of this section shall govern the simulcasting of races conducted at harness tracks located in another state or country during the period July first, nineteen hundred ninety-four through June thirtieth, two thousand [fifteen] SIXTEEN. This section shall supersede all inconsistent provisions of this chapter.

S 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part AA of chapter 59 of the laws of 2014, is amended to read as follows:

35 The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on 36 37 any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June 38 39 thirtieth, two thousand [fifteen] SIXTEEN. Every off-track betting 40 corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered 41 into a written agreement with such facility's representative horsemen's organ-42 43 ization as approved by the commission, one thousand eight or one thou-44 sand nine of this article shall be authorized to accept wagers and 45 display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all 46 47 such wagering on such races shall be construed to be thoroughbred races) 48 located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section 49 50 51 one thousand seven of this article:

52 S 6. The opening paragraph of section 1018 of the racing, pari-mutuel 53 wagering and breeding law, as amended by section 6 of part AA of chapter 54 59 of the laws of 2014, is amended to read as follows:

55 Notwithstanding any other provision of this chapter, for the period 56 July twenty-fifth, two thousand one through September eighth, two thou-

sand [fourteen] FIFTEEN, when a franchised corporation is conducting a 1 race meeting within the state at Saratoga Race Course, every off-track 2 3 betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered 4 5 into a written agreement with such facility's representative horsemen's 6 organization as approved by the commission), one thousand eight or one 7 thousand nine of this article shall be authorized to accept wagers and 8 display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races 9 10 run at all in-state thoroughbred tracks which are conducting racing 11 programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed 12 in accordance with section one thousand seven of this article. 13

14 S 7. Section 32 of chapter 281 of the laws of 1994, amending the 15 racing, pari-mutuel wagering and breeding law and other laws relating 16 to simulcasting, as amended by section 7 of part AA of chapter 59 of the 17 laws of 2014, is amended to read as follows:

This act shall take effect immediately and the pari-mutuel tax 18 S 32. reductions in section six of this act shall expire and be deemed repealed on July 1, [2015] 2016; provided, however, that nothing 19 20 21 contained herein shall be deemed to affect the application, qualifica-22 tion, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified 23 shall expire or be deemed repealed in the same manner, to the same 24 or 25 extent and on the same date as the case may be as otherwise provided by provided further, however, that sections twenty-three and twenty-26 law; five of this act shall remain in full force and effect only until May 1, 27 1997 and at such time shall be deemed to be repealed. 28

S 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part AA of chapter 59 of the laws of 2014, is amended to read as follows:

34 S 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 35 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-36 37 inq law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, [2015] 2016; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-38 39 40 two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect. 41

42 S 9. Paragraph (a) of subdivision 1 of section 238 of the racing, 43 pari-mutuel wagering and breeding law, as amended by section 9 of part 44 AA of chapter 59 of the laws of 2014, is amended to read as follows:

45 franchised corporation authorized under this chapter to (a) The conduct pari-mutuel betting at a race meeting or races run thereat shall 46 47 distribute all sums deposited in any pari-mutuel pool to the holders of 48 winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less an amount which shall be established and retained by such fran-49 50 51 chised corporation of between twelve to seventeen per centum of the total deposits in pools resulting from on-track regular bets, and four-52 teen to twenty-one per centum of the total deposits in pools resulting 53 54 from on-track multiple bets and fifteen to twenty-five per centum of the 55 total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six per centum of the total deposits in pools resulting from 56

on-track super exotic bets, plus the breaks. The retention rate to be 1 2 established is subject to the prior approval of the gaming commission. 3 Such rate may not be changed more than once per calendar quarter to be 4 effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five 5 6 hundred nineteen of this chapter. "Super exotic bets" shall have the 7 meaning set forth in section three hundred one of this chapter. For 8 purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the 9 10 odd cents over any multiple of five for payoffs greater than one dollar 11 five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, 12 13 over any multiple of twenty-five for payoffs greater than twenty-five 14 dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so 15 retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state 16 17 18 the privilege of conducting pari-mutuel betting on the races run at for 19 the race meetings held by such franchised corporation, the following 20 percentages of the total pool for regular and multiple bets five per 21 centum of regular bets and four per centum of multiple bets plus twenty 22 centum of the breaks; for exotic wagers seven and one-half per per 23 centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For 24 25 the period June first, nineteen hundred ninety-five through September 26 ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-27 half per centum, plus twenty per centum of the breaks. For the period 28 September tenth, nineteen hundred ninety-nine through March thirty-29 first, two thousand one, such tax on all wagers shall be two and six-30 tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [fifteen] SIXTEEN, such tax 31 32 33 on all wagers shall be one and six-tenths per centum, plus, in each such 34 period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corpo-35 ration shall be one-half of one per centum of total daily on-track pari-36 37 mutuel pools resulting from regular, multiple and exotic bets and three 38 per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-39 40 first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April 41 first, two thousand one through December thirty-first, two thousand 42 43 [fifteen] SIXTEEN, such payment shall be seven-tenths of one per centum 44 of such pools. 45 S 10. This act shall take effect immediately.

46

PART OO

47 Section 1. Section 1602 of the tax law is amended by adding a new 48 subdivision 6 to read as follows:

6. "VIDEO LOTTERY GAMING" MEANS ANY LOTTERY GAME PLAYED ON A VIDEO LOTTERY TERMINAL THAT ISSUES ELECTRONIC TICKETS, ALLOWS MULTIPLE PLAYERS TO PARTICIPATE IN THE SAME GAME AND DETERMINES WINNERS TO A MATERIAL DEGREE UPON THE ELEMENT OF CHANCE, NOTWITHSTANDING THAT THE SKILL OF A PLAYER MAY INFLUENCE SUCH PLAYER'S CHANCE OF WINNING A GAME. VIDEO

1 2 3 4 5 6 7 8 9 10 11 12 13	LOTTERY GAMING MAY INCLUDE ELEMENTS OF PLAYER INTERACTION AFTER A PLAYER RECEIVES AN INITIAL CHANCE. S 2. Subdivision 28 of section 225.00 of the penal law, as added by chapter 174 of the laws of 2013, is amended to read as follows: 28. "Video lottery gaming" [means any lottery game played on a video lottery terminal, which consists of multiple players competing for a chance to win a random drawn prize pursuant to section sixteen hundred seventeen-a and paragraph five of subdivision a of section sixteen hundred twelve of the tax law, as amended and implemented] HAS THE MEAN- ING SET FORTH IN SUBDIVISION SIX OF SECTION SIXTEEN HUNDRED TWO OF THE TAX LAW. S 3. This act shall take effect on the thirtieth day after it shall have become a law.
14	PART PP
15 16 17 18 20 21 22 23 24 25	Section 1. Paragraph d of subdivision 1 of section 207 of the racing, pari-mutuel wagering and breeding law, as added by chapter 457 of the laws of 2012, is amended to read as follows: d. The board, which shall become effective upon appointment of a majority of public members, shall terminate [three] FOUR years from its date of creation. The board shall propose, no less than one hundred eighty days prior to its termination, recommendations to the governor and the state legislature representing a statutory plan for the prospec- tive not-for-profit governing structure of The New York Racing Associ- ation, Inc. S 2. This act shall take effect immediately.
26	PART QQ
27	Intentionally Omitted
28	PART RR
29 30 31 32 33 34 35 36 37 38	Section 1. Subdivision 2 of section 187-b of the tax law, as amended by section 1 of part G of chapter 59 of the laws of 2013, is amended to read as follows: 2. (A) Alternative fuel vehicle refueling property and electric vehi- cle recharging property. The credit under this section for alternative fuel vehicle refueling and electric vehicle recharging property shall equal for each installation of property the lesser of five thousand dollars or THE PRODUCT OF fifty percent [of the cost of any such proper- ty: (a) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID
39 40 41	FROM THE PROCEEDS OF GRANTS. (B) TO QUALIFY FOR THE CREDIT, THE PROPERTY MUST: (I) BE located in this state;
42 43 44 45 46 47	<pre>[(b) which constitutes] (II) CONSTITUTE alternative fuel vehicle refu- eling property or electric vehicle recharging property; and [(c) for which none of the cost has been] (III) NOT BE paid for from the proceeds of grants AWARDED BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, including grants from the New York state energy research and development authority or the New York power authority.</pre>

2. Paragraph (b) of subdivision 30 of section 210-B of the tax law, 1 S 2 as added by section 17 of part A of chapter 59 of the laws of 2014, is 3 amended to read as follows: 4 (b) (I) Alternative fuel vehicle refueling property and electric vehi-5 cle recharging property. The credit under this subdivision for alternative fuel vehicle refueling property and electric vehicle recharging 6 7 property shall equal for each installation of property the lesser of 8 five thousand dollars or THE PRODUCT OF fifty percent [of the cost of 9 any such property: 10 (i) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID FROM THE PROCEEDS OF GRANTS. 11 12 (II) TO OUALIFY FOR THE CREDIT, THE PROPERTY MUST: (A) BE located in this state; 13 14 [(ii) which constitutes] (B) MUST CONSTITUTE alternative fuel vehicle 15 refueling property or electric vehicle recharging property; and [(iii) for which none of the cost has been] (C) NOT BE paid for from 16 17 the proceeds of grants AWARDED BEFORE JANUARY FIRST, TWO THOUSAND including grants from the New York state energy research and 18 FIFTEEN, 19 development authority or the New York power authority. S 3. Paragraph 2 of subsection (p) of section 606 of the tax 20 law, as 21 amended by section 3 of part G of chapter 59 of the laws of 2013, is 22 amended to read as follows: 23 (2) (A) Alternative fuel vehicle refueling property and electric vehicle recharging property. The credit under this subsection for alterna-24 25 fuel vehicle refueling property or electric vehicle recharging tive 26 property shall equal for each installation of property the lesser of 27 five thousand dollars or THE PRODUCT OF fifty percent [of the cost of 28 any such property 29 (A) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID 30 FROM THE PROCEEDS OF GRANTS. (B) TO QUALIFY FOR THE CREDIT, THE PROPERTY MUST: 31 32 (I) BE located in this state; 33 [(B) which constitutes] (II) CONSTITUTE alternative fuel vehicle refueling property or electric vehicle recharging property; and 34 [(C) for which none of the cost has been] (III) NOT BE paid for from 35 the proceeds of grants AWARDED BEFORE JANUARY FIRST, TWO THOUSAND 36 37 FIFTEEN, including grants from the New York state energy research and development authority or the New York power authority. S 4. This act shall take effect immediately, and shall apply to taxa-38 39 40 ble years beginning on or after January 1, 2015. 41 PART SS 42 Section 1. Section 1115 of the tax law is amended by adding a new 43 subdivision (jj) to read as follows: 44 (JJ) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE: (1) RECEIPTS 45 IN EXCESS OF TWO HUNDRED THIRTY THOUSAND DOLLARS FROM EVERY SALE OF, AND 46 CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, A 47 VESSEL SHALL BE EXEMPT FROM THE TAXES IMPOSED BY THIS ARTICLE. FOR PURPOSES OF THIS SUBDIVISION, "VESSEL" SHALL HAVE THE 48 SAME MEANING AS 49 TERM IS DEFINED IN SECTION TWENTY-TWO HUNDRED FIFTY OF THE VEHICLE SUCH AND TRAFFIC LAW AND ANY OUTBOARD MOTOR OR TRAILER, AS DEFINED IN SECTION 50 ONE HUNDRED FIFTY-SIX OF SUCH LAW, WHEN SOLD IN CONJUNCTION WITH SUCH 51 52 VESSEL.

53 (2) FOR PURPOSES OF SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ELEVEN 54 OF THIS ARTICLE, THE PURCHASE PRICE, CURRENT MARKET VALUE, OR FAIR

RENTAL VALUE, AS THE CASE MAY BE, OF A VESSEL PURCHASED BY A RESIDENT OF 1 NEW YORK STATE OUTSIDE OF THIS STATE FOR USE OUTSIDE OF THIS STATE THAT 2 SUBSEQUENTLY BECOMES SUBJECT TO THE COMPENSATING USE TAX IMPOSED UNDER 3 4 THIS ARTICLE SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOUSAND 5 DOLLARS. 6 (3) FOR PURPOSES OF SUBDIVISION (I) OF SECTION ELEVEN HUNDRED ELEVEN 7 THIS ARTICLE, RECEIPTS FROM, OR CONSIDERATION GIVEN OR CONTRACTED TO OF BE GIVEN FOR, THE LEASE OF A VESSEL THAT IS SUBJECT TO SUCH SUBDIVISION 8 IN EXCESS OF TWO HUNDRED THIRTY THOUSAND DOLLARS SHALL BE EXEMPT 9 (I) 10 FROM THE CALCULATION OF TAX DUE UNDER SUCH SUBDIVISION (I). (4) FOR PURPOSES OF PARAGRAPH ONE OF SUBDIVISION (Q) OF SECTION ELEVEN 11 HUNDRED ELEVEN OF THIS ARTICLE, THE LIMITATIONS ON EXCLUSIONS FROM THE 12 DEFINITION OF RETAIL SALE IN PARAGRAPH ONE OF SUCH SUBDIVISION SHALL 13 14 APPLY ONLY TO THE FIRST TWO HUNDRED THIRTY THOUSAND DOLLARS OF RECEIPTS FROM EVERY SALE OF, OR CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, A VESSEL. 15 16 17 (5) FOR PURPOSES OF PARAGRAPH TWO OF SUBDIVISION (Q) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS ARTICLE, THE PURCHASE PRICE OR MARKET VALUE, AS 18 19 THE CASE MAY BE, OF A VESSEL SUBJECT TO TAX UNDER PARAGRAPH TWO OF SUCH 20 SUBDIVISION (Q) SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOU-21 SAND DOLLARS. 22 (6) FOR PURPOSES OF SUBDIVISION TWO OF SECTION ELEVEN HUNDRED EIGHTEEN THIS ARTICLE, THE LIMITATION ON THE EXCLUSION FROM COMPENSATING USE 23 OF TAX IN SUCH SUBDIVISION TWO WITH RESPECT TO QUALIFIED PROPERTY, 24 AS 25 DEFINED IN SUCH SUBDIVISION, SHALL APPLY ONLY TO THE FIRST TWO HUNDRED THIRTY THOUSAND DOLLARS OF CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN 26 27 FOR, OR FOR THE USE OF, A VESSEL. 28 (7) FOR PURPOSES OF PARAGRAPH (A) OF SUBDIVISION SEVEN OF SECTION 29 ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE, THE REFUND OR CREDIT ALLOWABLE UNDER PARAGRAPH (A) OF SUCH SUBDIVISION SEVEN SHALL BE COMPUTED ONLY 30 WITH REGARD TO TAX LEGALLY DUE AND PAID TO ANOTHER STATE ON THE FIRST 31 32 TWO HUNDRED THIRTY THOUSAND DOLLARS OF THE PURCHASE PRICE. 33 (8) EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS SUBDIVISION SHALL NOT BE DEEMED TO LIMIT ANY OTHER EXEMPTION, EXCLUSION OR CREDIT IN THIS ARTICLE 34 35 RELATING TO A VESSEL. S 2. Section 1118 of the tax law is amended by adding new subdivision 36 37 13 to read as follows: 38 (13) IN RESPECT TO THE USE WITHIN THE STATE OF A VESSEL, AS DEFINED IN SECTION TWENTY-TWO HUNDRED FIFTY OF THE VEHICLE AND TRAFFIC LAW, UNTIL 39 40 THE FIRST OF THE FOLLOWING EVENTS OCCUR: (A) THE USE OF SUCH VESSEL WITHIN THIS STATE BY THE PURCHASER THEREOF 41 FOR A PERIOD IN EXCESS OF NINETY CONSECUTIVE DAYS; 42 (B) THE DATE UPON WHICH SUCH VESSEL IS FIRST REQUIRED TO BE REGISTERED 43 44 PURSUANT TO SECTION TWENTY-TWO HUNDRED FIFTY-ONE OF THE VEHICLE AND 45 TRAFFIC LAW; OR (C) THE DATE UPON WHICH SUCH VESSEL IS SO REGISTERED. 46 47 S 3. This act shall take effect June 1, 2015 and shall apply in accordance with the applicable transitional provisions in sections 1106 48 49 and 1217 of the tax law. 50 PART TT Section 1. Paragraph (A) of subdivision (i) of section 1111 of the tax 51 law, as amended by chapter 20 of the laws of 1992, is amended to read as

52 53 follows:

1 (A) Notwithstanding any contrary provisions of this article or other 2 with respect to any lease for a term of one year or more of (1) a law, 3 motor vehicle, as defined in section one hundred twenty-five of the 4 vehicle and traffic law, with a gross vehicle weight of ten thousand pounds or less, OR (2) a vessel, as defined in section twenty-two hundred fifty of such law (including any inboard or outboard motor and 5 6 7 trailer, as defined in section one hundred fifty-six of such law, any 8 leased in conjunction with such a vessel) [and (3) noncommercial aircraft having a seating capacity of less than twenty passengers and a 9 10 maximum payload capacity of less than six thousand pounds], or an option 11 to renew such a lease or a similar contractual provision, all receipts due or consideration given or contracted to be given for such property under and for the entire period of such lease, option to renew or simi-12 13 14 lar provision, or combination of them, shall be deemed to have been paid 15 or given and shall be subject to tax, and any such tax due shall be 16 collected, as of the date of first payment under such lease, option to renew or similar provision, or combination of them, or as of the date of 17 18 registration of such property with the commissioner of motor vehicles, 19 whichever is earlier. Notwithstanding any inconsistent provisions of subdivision (b) of this section or of section eleven hundred seventeen 20 21 of this article or of other law, for purposes of such a lease, option to 22 renew or similar provision originally entered into outside this state, by a lessee (1) who was a resident of this state, and leased such prop-23 24 erty for use outside the state and who subsequently brings such property 25 into this state for use here or (2) who was a nonresident and subsequently becomes a resident and brings the property into this state for 26 27 use here, any remaining receipts due or consideration to be given after such lessee brings such property into this state shall be subject to tax 28 29 lessee had entered into or exercised such lease, option to as if the 30 renew or similar provision, or combination thereof, for the first time in this state and the relevant provisions of sections eleven hundred ten 31 32 concerning imposition and computation of tax, eleven hundred eighteen 33 concerning exemption from use tax for tax paid to another jurisdiction, eleven hundred thirty-two concerning presumption of taxability and conditions for registration and eleven hundred thirty-nine concerning 34 35 refunds, of this article, shall be applicable to any sales or compensat-36 37 ing use tax paid by the lessee before the lessee brought the property 38 into this state, except to the extent that any such provision is incon-39 sistent with a provision of this subdivision. For purposes of this 40 subdivision, (1) a lease for a term of one year or more shall include lease for a shorter term which includes an option to renew or other 41 any like provision (or more than one of such option or other provision) 42 43 where the cumulative period that the lease, with or without such option 44 or provision, may be in effect upon exercise of such option or provision is one year or more and (2) receipts due and consideration given or contracted to be given under any such lease or other provision for 45 46 47 excess mileage charges shall be subject to tax as and when paid or due. 48 S 2. Subdivision (q) of section 1111 of the tax law, as added by 49 section 3 of subpart B of part S of chapter 57 of the laws of 2010, is 50 amended to read as follows: 51 (q) (1) The exclusions from the definition of retail sale in subpara-

51 (q) (1) The exclusions from the definition of retail sale in subpara-52 graph (iv) of paragraph four of subdivision (b) of section eleven 53 hundred one of this article shall not apply to transfers, distributions, 54 or contributions of [an aircraft or] A vessel, except where, in the case 55 of the exclusion in subclause (I) of clause (A) of such subparagraph 56 (iv), the two corporations to be merged or consolidated are not affil-

iated persons with respect to each other. For purposes of this subdivi-1 2 sion, corporations are affiliated persons with respect to each other 3 where (i) more than five percent of their combined shares are owned by 4 members of the same family, as defined by paragraph four of subsection (c) of section two hundred sixty-seven of the internal revenue code of nineteen hundred eighty-six; (ii) one of the corporations has an owner-5 6 7 ship interest of more than five percent, whether direct or indirect, in 8 the other; or (iii) another person or a group of other persons that are affiliated persons with respect to each other hold an ownership interest 9 10 of more than five percent, whether direct or indirect, in each of the 11 corporations.

12 (2) Notwithstanding any contrary provision of law, in relation to any 13 transfer, distribution, or contribution of [an aircraft or] A vessel 14 that qualifies as a retail sale as a result of paragraph one of this 15 subdivision, the sales tax imposed by subdivision (a) of section eleven 16 hundred five of this part shall be computed based on the price at which 17 the seller purchased the tangible personal property, provided that where the seller or purchaser affirmatively shows that the seller owned 18 the 19 property for six months prior to making the transfer, distribution or contribution covered by paragraph one of this subdivision, 20 such 21 [aircraft or] vessel shall be taxed on the basis of the current market value of the [aircraft or] vessel at the time of that transfer, distrib-22 ution, or contribution. For the purposes of the prior sentence, "current 23 market value" shall not exceed the cost of the [aircraft or] vessel. See 24 25 subdivision (b) of this section for a similar rule on the computation of 26 any compensating use tax due under section eleven hundred ten of this part on such transfers, distributions, or contributions.
 (3) A purchaser of [an aircraft or] A vessel covered by paragraph one 27

28 29 of this subdivision will be entitled to a refund or credit against the 30 sales or compensating use tax due as a result of a transfer, distribution, or contribution of such [aircraft or] vessel in the amount of any 31 32 sales or use tax paid to this state or any other state on the seller's 33 purchase or use of the [aircraft or] vessel so transferred, distributed or contributed, but not to exceed the tax due on the transfer, distrib-34 35 ution, or contribution of the [aircraft or] vessel or on the purchaser's 36 use in the state of the [aircraft or] vessel so transferred, distributed 37 or contributed. An application for a refund or credit under this subdi-38 vision must be filed and shall be in such form as the commissioner may prescribe. Where an application for credit has been filed, the applicant 39 40 may immediately take such credit on the return which is due coincident with or immediately subsequent to the time the application for credit is 41 filed. However, the taking of the credit on the return shall be deemed 42 43 to be part of the application for credit. Provided that the commission-44 may, in his or her discretion and notwithstanding any other law, er 45 waive the application requirement for any or all classes of persons where the amount of the credit or refund is equal to the amount of the 46 47 tax due from the purchaser. The provisions of subdivisions (a), (b), and 48 (c) of section eleven hundred thirty-nine of this article shall apply to applications for refund or credit under this subdivision. No interest 49 shall be allowed or paid on any refund made or credit allowed under this 50 51 subdivision. If a refund is granted or a credit allowed under this para-52 graph, the seller or purchaser shall not be eligible for a refund or credit pursuant to subdivision seven of section eleven hundred eighteen 53 54 of this article with regard to the same purchase or use.

55 S 3. Subdivision (a) of section 1115 of the tax law is amended by 56 adding a new paragraph 21-a to read as follows: 1 (21-A) GENERAL AVIATION AIRCRAFT, AND MACHINERY OR EQUIPMENT TO BE 2 INSTALLED ON SUCH AIRCRAFT. FOR PURPOSES OF THIS SUBDIVISION, "GENERAL 3 AVIATION AIRCRAFT" MEANS AN AIRCRAFT THAT IS USED IN CIVIL AVIATION, 4 THAT IS NOT A COMMERCIAL AIRCRAFT AS DEFINED IN PARAGRAPH SEVENTEEN OF 5 SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ONE OF THIS ARTICLE, MILITARY 6 AIRCRAFT, UNMANNED AERIAL VEHICLE OR DRONE.

7 S 4. This act shall take effect September 1, 2015, and shall apply in 8 accordance with applicable transitional provisions of sections 1106 and 9 1217 of the tax law.

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# PART UU

11 Section 1. Section 1115 of the tax law is amended by adding a new 12 subdivision (jj) to read as follows:

13 (JJ) TANGIBLE PERSONAL PROPERTY OR SERVICES OTHERWISE TAXABLE UNDER THIS ARTICLE SOLD TO A RELATED PERSON SHALL NOT BE SUBJECT TO THE TAXES 14 IMPOSED BY SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE OR THE COMPENSAT-15 IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE 16 ING USE TAX 17 WHERE THE PURCHASER CAN SHOW THAT THE FOLLOWING CONDITIONS HAVE BEEN MET TO THE EXTENT THEY ARE APPLICABLE: (1)(I) THE VENDOR AND THE 18 PURCHASER 19 ARE REFERENCED AS EITHER A "COVERED COMPANY" AS DESCRIBED IN SECTION 243.2(F) OR A "MATERIAL ENTITY" AS DESCRIBED IN SECTION 243.2(L) OF 20 THE CODE OF FEDERAL REGULATIONS IN A RESOLUTION PLAN THAT HAS BEEN SUBMITTED 21 TO AN AGENCY OF THE UNITED STATES FOR THE PURPOSE OF SATISFYING SUBPARA-22 23 GRAPH 1 OF PARAGRAPH (D) OF SECTION ONE HUNDRED SIXTY-FIVE OF THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT (THE "ACT") OR ANY 24 25 SUCCESSOR LAW, OR (II) THE VENDOR AND THE PURCHASER ARE SEPARATE LEGAL ENTITIES PURSUANT TO A DIVESTITURE DIRECTED PURSUANT TO SUBPARAGRAPH 5 26 PARAGRAPH (D) OF SECTION ONE HUNDRED SIXTY-FIVE OF SUCH ACT OR ANY 27 OF SUCCESSOR LAW; (2) THE SALE WOULD NOT HAVE OCCURRED BETWEEN SUCH RELATED 28 ENTITIES WERE IT NOT FOR SUCH RESOLUTION PLAN OR DIVESTITURE; AND (3) IN 29 30 ACQUIRING SUCH PROPERTY OR SERVICES, THE VENDOR DID NOT CLAIM AN 31 EXEMPTION FROM THE TAX IMPOSED BY THIS STATE OR ANOTHER STATE BASED ON 32 THE VENDOR'S INTENT TO RESELL SUCH SERVICES OR PROPERTY. А PERSON IS RELATED TO ANOTHER PERSON FOR PURPOSES OF THIS SUBDIVISION IF THE PERSON 33 A RELATIONSHIP TO SUCH PERSON DESCRIBED IN SECTION TWO HUNDRED 34 BEARS SIXTY-SEVEN OF THE INTERNAL REVENUE CODE. THE EXEMPTION PROVIDED BY THIS 35 36 SUBDIVISION SHALL NOT APPLY TO SALES MADE, SERVICES RENDERED, OR USES OCCURRING AFTER JUNE THIRTIETH, TWO THOUSAND NINETEEN, EXCEPT WITH RESPECT TO SALES MADE, SERVICES RENDERED, OR USES OCCURRING PURSUANT TO 37 38 BINDING CONTRACTS ENTERED INTO ON OR BEFORE SUCH DATE; BUT IN NO CASE 39 SHALL SUCH EXEMPTION APPLY AFTER JUNE 40 THIRTIETH, TWO THOUSAND 41 TWENTY-FOUR.

S 2. This act shall take effect on the first day of a sales tax quarterly period, as described in subdivision (b) of section 1136 of the tax law, next commencing at least ninety days after the date this act shall have become a law and shall apply in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law.

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#### PART VV

48 Section 1. The opening paragraph of subdivision 7 of section 221 of 49 the racing, pari-mutuel wagering and breeding law, as amended by chapter 50 18 of the laws of 2008, is amended to read as follows:

51 In order to pay the costs of the insurance required by this section 52 and by the workers' compensation law and to carry out its other powers

and duties and to pay for any of its liabilities under section four-1 teen-a of the workers' compensation law, the New York Jockey Injury 2 3 Compensation Fund, Inc. shall ascertain the total funding necessary and 4 establish the sums that are to be paid by all owners and trainers licensed or required to be licensed under section two hundred twenty of 5 6 this article, to obtain the total funding amount required annually. In 7 order to provide that any sum required to be paid by an owner or trainer 8 is equitable, the fund shall establish payment schedules which reflect 9 such factors as are appropriate, including where applicable, the 10 geographic location of the racing corporation at which the owner or 11 trainer participates, the duration of such participation, the amount of any purse earnings, the number of horses involved, or such other factors as the fund shall determine to be fair, equitable and in the best inter-12 13 14 ests of racing. In no event shall the amount deducted from an owner's 15 share of purses exceed [one] TWO per centum. THE AMOUNT DEDUCTED FROM AN 16 OWNER'S SHARE OF PURSES SHALL NOT EXCEED ONE PER CENTUM AFTER APRIL FIRST, TWO THOUSAND SEVENTEEN. In the cases of multiple ownerships and 17 18 limited racing appearances, the fund shall equitably adjust the sum 19 required.

20 s

S 2. This act shall take effect immediately.

# 21

22 Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivi-23 sion b of section 1612 of the tax law, as amended by section 1 of part Z 24 of chapter 59 of the laws of 2014, is amended to read as follows:

PART WW

(F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subparraph, when a vendor track, is located in Sullivan county and within 25 26 agraph, 27 sixty miles from any gaming facility in a contiguous state such vendor fee shall, for a period of [seven] EIGHT years commencing April first, 28 two thousand eight, be at a rate of forty-one percent of the total 29 30 revenue wagered at the vendor track after payout for prizes pursuant to 31 this chapter, after which time such rate shall be as for all tracks in clause  $(\overline{C})$  of this subparagraph. 32

33 S 2. This act shall take effect immediately and shall be deemed to 34 have been in full force and effect on and after April 1, 2015.

35

### PART XX

36 Section 1. Subdivision 1 of section 1012 of the racing, pari-mutuel 37 wagering and breeding law, as amended by chapter 174 of the laws of 38 2013, is amended to read as follows:

39 1. Racing associations and corporations, franchised corporations, 40 off-track betting corporations and multi-jurisdictional account wagering providers may form partnerships, joint ventures, or any other affil-41 iations or contractual arrangement in order to further the purposes of 42 43 section. Multi-jurisdictional account wagering providers involved this 44 in such joint affiliations or contractual arrangements shall follow the same distributional policy with respect to retained commissions as [their in-state affiliate or contractual partner] A MULTI-JURISDICTIONAL 45 46 47 ACCOUNT WAGERING PROVIDER DEFINED IN THIS ARTICLE.

48 S 2. Section 1012 of the racing, pari-mutuel wagering and breeding law 49 is amended by adding a new subdivision 1-a to read as follows:

50 1-A. NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, ANY MULTI-JURIS-51 DICTIONAL ACCOUNT WAGERING PROVIDERS INVOLVED IN SUCH JOINT AFFILIATIONS 52 OR CONTRACTUAL ARRANGEMENTS AUTHORIZED IN SUBDIVISION ONE OF THIS

SECTION WHICH WAS ENTERED INTO ON OR BEFORE THE FIRST OF 1 JANUARY, TWO 2 THOUSAND FOURTEEN MAY CONTINUE TO FOLLOW THE SAME DISTRIBUTIONAL POLICY 3 WITH RESPECT TO RETAINED COMMISSIONS AS THEIR IN-STATE AFFILIATE OR 4 CONTRACTUAL PARTNER THROUGH THE THIRTY-FIRST OF DECEMBER, TWO THOUSAND 5 SIXTEEN.

6 S 3. This act shall take effect immediately; provided, however, that 7 the provisions of section two of this act shall expire January 1, 2017 8 when upon such date the provisions of such section shall be deemed 9 repealed.

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26

### PART YY

11 Section 1. Paragraph 4 of subsection (b) of section 800 of the tax 12 law, as added by section 1 of part B of chapter 56 of the laws of 2011, 13 is amended to read as follows:

Any eligible educational institution. An "eligible educational 14 (4) institution" shall mean any public school district, a board of 15 cooperative educational services, a public elementary or secondary school, a 16 17 school approved pursuant to article eighty-five or eighty-nine of the education law to serve students with disabilities of school age, or a 18 19 nonpublic elementary or secondary school that provides instruction in 20 grade one or above, ALL PUBLIC LIBRARY SYSTEMS AS DEFINED IN SUBDIVISION OF SECTION TWO HUNDRED SEVENTY-TWO OF THE EDUCATION LAW, AND ALL 21 ONE PUBLIC AND FREE ASSOCIATION LIBRARIES AS 22 SUCH TERMS ARE DEFINED IN 23 SUBDIVISION TWO OF SECTION TWO HUNDRED FIFTY-THREE OF THE EDUCATION LAW. 24 S 2. This act shall take effect immediately and apply to taxable peri-25 ods beginning on or after January 1, 2016.

### PART ZZ

27 Section 1. Section 19 of part CC of a chapter of the laws of 2015 28 amending the vehicle and traffic law relating to directing the city of 29 Buffalo to adjudicate traffic infractions, as proposed in legislative 30 bill numbers S.2008-B and A.3008-B, is amended to read as follows:

S 19. This act shall take effect on [May] JULY 1, 2015; 31 provided, 32 however, that effective immediately the city of Buffalo is authorized to 33 enact a local law establishing a traffic violations agency in the city 34 of Buffalo; provided, however, that the provisions of sections four and five of this act shall take effect on the same date as the enactment of 35 such local law, herein authorized, establishing a traffic violations 36 agency; provided, further, that if established, such agency and the city 37 of Buffalo shall comply with all the provisions of law set forth in this 38 39 provided, however, that the amendments made to section 371 of the act; 40 general municipal law, made by sections six, seven and eight of this act, shall not affect the expiration of such section and be deemed to expire therewith; and provided, further, that the city of Buffalo shall 41 42 43 notify the legislative bill drafting commission upon the occurrence of 44 the enactment of the local law provided for in this section in order that the commission may maintain an accurate and timely effective data 45 base of the official text of the laws of the state of New York in furth-46 47 erance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law. 48

49 S 2. This act shall take effect on the same date as such chapter of 50 the laws of 2015 takes effect.

51 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-52 sion, section or part of this act shall be adjudged by any court of

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1 competent jurisdiction to be invalid, such judgment shall not affect, 2 impair, or invalidate the remainder thereof, but shall be confined in 3 its operation to the clause, sentence, paragraph, subdivision, section 4 or part thereof directly involved in the controversy in which such judg-5 ment shall have been rendered. It is hereby declared to be the intent of 6 the legislature that this act would have been enacted even if such 7 invalid provisions had not been included herein.

8 S 3. This act shall take effect immediately provided, however, that 9 the applicable effective date of Parts A through ZZ of this act shall be 10 as specifically set forth in the last section of such Parts.