S T A T E O F N E W Y O R K

S. 2009--B A. 3009--B

S E N A T E - A S S E M B L Y

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 and recommitted to said committee

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 recommitted to said committee

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 state-administered 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 applications (Part F); intentionally omitted (Part G); to amend the 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 K); intentionally omitted (Part L); intentionally omitted (Part M); 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 O); 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 amend the tax law, in relation to making corrections to the corporate 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 29 of the tax law, unless a locality elects otherwise; and to repeal 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 (Part EE); intentionally omitted (Part FF); intentionally omitted (Part GG); intentionally omitted (Part HH); intentionally omitted (Part II); intentionally omitted (Part JJ); intentionally omitted (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 of out-of-state thoroughbred races, simulcasting of races run by out-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 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, 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

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 to sales and compensating use taxes imposed with respect to certain 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:

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2015-2016 state fiscal year. Each component is wholly contained within a Part identified as Parts A through ZZ. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, 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 the general effective date of this act.

PART A

Intentionally Omitted

PART B

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

1. Except as otherwise provided by law, the provisions of this section shall be utilized by the state to calculate the annual amount due to be paid to the city of New York by the state to reimburse such city for tax receipts foregone (a) as a result of [a] chapter THREE HUNDRED EIGHTY-NINE of the laws of nineteen hundred ninety-seven [that reduced 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 tax reduction credit" against liabilities imposed pursuant to the

authority granted the city by such section and other statutes authorizing 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] chapter 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 tax law, as amended by section 2 of part EE of chapter 57 of the laws of 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 the city taxable income of every 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 and on the city taxable income of every city resident surviving spouse shall be determined in accordance with the following tables:

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

IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $21,600	2.55% OF THE CITY TAXABLE INCOME
OVER $21,600 BUT NOT OVER $45,000	$551 PLUS 3.1% OF EXCESS OVER $21,600
OVER $45,000 BUT NOT OVER $90,000	$1,276 PLUS 3.15% OF EXCESS OVER $45,000
OVER $90,000 BUT NOT OVER $500,000	$2,694 PLUS 3.2% OF EXCESS OVER $90,000
OVER $500,000	$16,803 PLUS 3.4% OF EXCESS OVER $500,000

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

If the city taxable income is:	The tax is:
Not over $21,600	2.55% of the city taxable income
Over $21,600 but not over $45,000	$551 plus 3.1% of excess over $21,600
Over $45,000 but not over $90,000	$1,276 plus 3.15% of excess over $45,000
Over $90,000 but not over $500,000	$2,694 plus 3.2% of excess over $90,000
Over $500,000	$15,814 plus 3.4% of excess over $500,000

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

If the city taxable income is:	The tax is:
Not over $21,600	2.55% of the city taxable income
Over $21,600 but not over $45,000	$551 plus 3.1% of excess over $21,600
Over $45,000 but not over $90,000	$1,276 plus 3.15% of excess over $45,000
Over $90,000	$2,694 plus 3.2% of excess over $90,000]

(2) Resident heads of households. The tax under this section for each taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following tables:

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

IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $14,400	2.55% OF THE CITY TAXABLE INCOME
OVER $14,400 BUT NOT OVER $30,000	$367 PLUS 3.1% OF EXCESS OVER $14,400
OVER $30,000 BUT NOT OVER $60,000	$851 PLUS 3.15% OF EXCESS OVER $30,000
OVER $60,000 BUT NOT OVER $500,000	$1,796 PLUS 3.2% OF EXCESS OVER $60,000
OVER $500,000	$16,869 PLUS 3.4% OF EXCESS OVER $500,000

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

If the city taxable income is:	The tax is:
Not over $14,400	2.55% of the city taxable income
Over $14,400 but not over $30,000	$367 plus 3.1% of excess over $14,400
Over $30,000 but not over $60,000	$851 plus 3.15% of excess over $30,000
Over $60,000 but not over $500,000	$1,796 plus 3.2% of excess over $60,000
Over $500,000	$15,876 plus 3.4% of excess Over $500,000

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

If the city taxable income is:	The tax is:
Not over $14,400	2.55% of the city taxable income
Over $14,400 but not over $30,000	$367 plus 3.1% of excess over $14,400
Over $30,000 but not over $60,000	$851 plus 3.15% of excess over $30,000
Over $60,000	$1,796 plus 3.2% of excess over $60,000]

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under this section for each taxable year on the city taxable income of every city 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:

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

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 OVER $25,000	$306 PLUS 3.1% OF EXCESS OVER $12,000
OVER $25,000 BUT NOT OVER $50,000	$709 PLUS 3.15% OF EXCESS OVER $25,000
OVER $50,000 BUT NOT OVER $500,000	$1,497 PLUS 3.2% OF EXCESS OVER $50,000
OVER $500,000	$16,891 PLUS 3.4% OF EXCESS OVER $500,000

(B) For taxable years beginning after two thousand nine AND BEFORE TWO 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 over $25,000	$306 plus 3.1% of excess over $12,000
Over $25,000 but not over $50,000	$709 plus 3.15% of excess over $25,000
Over $50,000 but not over $500,000	$1,497 plus 3.2% of excess over $50,000
Over $500,000	$15,897 plus 3.4% of excess over $500,000

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

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 over $25,000	$306 plus 3.1% of excess over $12,000
Over $25,000 but not over $50,000	$709 plus 3.15% of excess over $25,000
Over $50,000	$1,497 plus 3.2% of excess over $50,000]

S 3. Paragraphs 1, 2 and 3 of subdivision (a) of section 11-1701 of 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 follows:

(1) Resident married individuals filing joint returns and resident surviving spouses. The tax under this section for each taxable year on the city taxable income of every city resident married individual who makes a single return jointly with his or her spouse under subdivision (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 with the following tables:

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

IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $21,600	2.55% OF THE CITY TAXABLE INCOME
OVER $21,600 BUT NOT OVER $45,000	$551 PLUS 3.1% OF EXCESS OVER $21,600
OVER $45,000 BUT NOT OVER $90,000	$1,276 PLUS 3.15% OF EXCESS OVER $45,000

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

If the city taxable income is:	The tax is:
Not over $21,600	2.55% of the city taxable income
Over $21,600 but not over $45,000	$551 plus 3.1% of excess over $21,600
Over $45,000 but not over $90,000	$1,276 plus 3.15% of excess over $45,000
Over $90,000 but not over $500,000	$2,694 plus 3.2% of excess over $90,000
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[(B) For taxable years beginning in two thousand one and two thousand two and for taxable years beginning after two thousand five and before two thousand ten:

If the city taxable income is:	The tax is:
Not over $21,600	2.55% of the city taxable income
Over $21,600 but not over $45,000	$551 plus 3.1% of excess over $21,600
Over $45,000 but not over $90,000	$1,276 plus 3.15% of excess over $45,000
Over $90,000	$2,694 plus 3.2% of excess over $90,000]

(2) Resident heads of households. The tax under this section for each taxable year on the city taxable income of every city resident head of a household shall be determined in accordance with the following tables:

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

IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $14,400	2.55% OF THE CITY TAXABLE INCOME
OVER $14,400 BUT NOT OVER $30,000	$367 PLUS 3.1% OF EXCESS OVER $14,400
OVER $30,000 BUT NOT OVER $60,000	$851 PLUS 3.15% OF EXCESS OVER $30,000
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(B) For taxable years beginning after two thousand nine AND BEFORE TWO THOUSAND FIFTEEN:

If the city taxable income is:	The tax is:
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Over $60,000 but not	$1,796 plus 3.2% of excess

over $500,000	over $60,000
Over $500,000	$15,876 plus 3.4% of excess over $500,000

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

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Over $60,000	$1,796 plus 3.2% of excess over $60,000]

(3) Resident unmarried individuals, resident married individuals filing separate returns and resident estates and trusts. The tax under 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 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 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:

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

IF THE CITY TAXABLE INCOME IS:	THE TAX IS:
NOT OVER $12,000	2.55% OF THE CITY TAXABLE INCOME
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Over $25,000 but not over $50,000	$709 plus 3.15% of excess over $25,000
Over $50,000	$1,497 plus 3.2% of excess over $50,000]

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

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 subsection (c) of section 685 of the tax law and subdivision (c) of section 11-1785 of the administrative code of the city of New York with respect to any underpayment of a required installment due prior to, or 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 this act, provided, however, that the taxpayer remits the amount of any underpayment prior to or with his or her next quarterly estimated tax 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.

S 6. This act shall take effect immediately.

PART C

Intentionally Omitted

PART D

Intentionally Omitted

PART E

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

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

(B) PROCEDURE. THE TAX SAVINGS ATTRIBUTABLE TO EACH SUCH IMPROPERLY GRANTED EXEMPTION SHALL BE COLLECTED FROM THE OWNERS WHOSE PROPERTY IMPROPERLY RECEIVED THE EXEMPTION FOR THE APPLICABLE YEAR, TOGETHER WITH INTEREST AS SPECIFIED IN THIS SUBDIVISION, BY UTILIZING ANY OF THE PROCEDURES FOR COLLECTION, LEVY, AND LIEN OF PERSONAL INCOME TAX SET FORTH IN ARTICLE TWENTY-TWO OF THE TAX LAW, ANY OTHER RELEVANT PROCEDURES 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:

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

(II) NOTWITHSTANDING THE PROVISIONS OF PARAGRAPH (B) OF SUBDIVISION SIX OF THIS SECTION, NEITHER AN ASSESSOR NOR A BOARD OF ASSESSMENT REVIEW HAS THE AUTHORITY TO CONSIDER AN OBJECTION TO THE RECOUPMENT OF AN EXEMPTION PURSUANT TO THIS SUBDIVISION, NOR MAY SUCH AN ACTION BE REVIEWED IN A PROCEEDING TO REVIEW AN ASSESSMENT PURSUANT TO TITLE ONE 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 DEPARTMENT'S FINAL DETERMINATION, THE OWNER MAY APPEAL THAT DETERMINATION TO THE BOARD IN A FORM AND MANNER TO BE PRESCRIBED BY THE COMMISSIONER. SUCH APPEAL SHALL BE FILED WITHIN FORTY-FIVE DAYS FROM THE ISSUANCE OF THE DEPARTMENT'S FINAL DETERMINATION. IF DISSATISFIED WITH THE BOARD'S DETERMINATION, THE OWNER MAY SEEK JUDICIAL REVIEW THEREOF PURSUANT TO ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES. THE OWNER SHALL OTHERWISE HAVE NO RIGHT TO CHALLENGE SUCH FINAL DETERMINATION IN A COURT ACTION, ADMINISTRATIVE PROCEEDING, INCLUDING BUT NOT LIMITED TO AN ADMINISTRATIVE PROCEEDING PURSUANT TO ARTICLE FORTY OF THE TAX LAW, OR ANY OTHER FORM OF LEGAL RECOURSE AGAINST THE COMMISSIONER,

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

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

(D) IN THE EVENT THAT A REVOCATION OF PRIOR EXEMPTION PURSUANT TO SUBDIVISION TWELVE OF THIS SECTION OR A VOLUNTARY RENUNCIATION OF THE STAR EXEMPTION PURSUANT TO SECTION FOUR HUNDRED NINETY-SIX OF THIS CHAPTER HAS OCCURRED, THE PROVISIONS OF THIS SUBDIVISION SHALL NOT BE APPLICABLE TO THE EXEMPTIONS SO REVOKED OR VOLUNTARILY RENOUNCED.

S 2. This act shall take effect immediately.

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 section, the term "unenrolled registrant" means a person who purchased or otherwise acquired a primary residence after the taxable status date for the 2013 assessment roll and who registered that property with the commissioner of taxation and finance in accordance with subdivision 14 of section 425 of the real property tax law on or before the taxable status date for the 2014 assessment roll, but who failed to file an application for the STAR exemption for that property in accordance with subdivision 6 of section 425 of the real property tax law on or before the taxable status date for the 2014 assessment roll.

(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 registrant's property would have qualified for the STAR exemption authorized by section 425 of the real property tax law on the 2014 assessment roll if a completed application had been filed with the appropriate assessor in a timely manner, then the commissioner of taxation and finance is authorized to remit directly to the property owner or owners the tax savings that the STAR exemption would have yielded if the STAR exemption had been granted on the 2014 assessment roll. When remitting such amount, the commissioner of taxation and finance shall advise the property owner or owners that such payment is subject to recovery by such commissioner if the property owner or owners do not apply for and qualify for the STAR exemption on the 2015 assessment roll, or if it should otherwise be found to have been erroneously remitted to such property owner or owners.

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

(4) The provisions of part 6 of article 22 of the tax law relating to the collection of a tax imposed by such article that has been assessed and remains unpaid shall apply to the recovery authorized by subdivision 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 same manner and with the same force and effect as if the language of such article had been incorporated in full into this act except to the 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 the commissioner of taxation and finance. Furthermore, for purposes of applying the provisions of part 6 of article 22 of the tax law, where the terms "tax" and "taxes" appear in such article, such terms shall be construed to mean "a payment or payments erroneously made pursuant to this act to an ineligible property owner or owners".

S 3. This act shall take effect immediately.

PART G

Intentionally Omitted

PART H

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

(g)(1) With respect to an individual whose New York adjusted gross 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 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 before two thousand [sixteen] EIGHTEEN. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning in two thousand nine or after 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:

(g) (1) With respect to an individual whose New York adjusted gross 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 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 before two thousand [sixteen] EIGHTEEN. With respect to an individual whose New York adjusted gross income is over one million dollars, the New York itemized deduction shall be an amount equal to fifty percent of any charitable contribution

deduction allowed under section one hundred seventy of the internal revenue code for taxable years beginning in two thousand nine or after 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 3. This act shall take effect immediately.

PART I

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

(41) The amount of any award paid to a volunteer firefighter or volunteer ambulance worker from a length of service defined contribution plan 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 that such award is includable in gross income for federal income tax purposes; provided, however, that such award is not distributed in the 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 internal revenue code and taxed under section six hundred three of this 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.

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 volunteer ambulance worker from a length of service defined contribution plan 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 that such award is includable in gross income for federal income tax purposes; provided, however, that such award is not distributed in the 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 internal revenue code and taxed under section six hundred three of the tax law; 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.

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

(3-a) Pensions and annuities received by an individual who has attained the age of fifty-nine and one-half, not otherwise excluded pursuant to paragraph three of this subsection, to the extent includible 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 from employment, which arise (i) from an employer-employee relationship or (ii) from contributions to a retirement plan which are deductible for federal income tax purposes. However, the term "pensions and annuities" shall also include distributions received by an individual who has attained the age of fifty-nine and one-half from an individual retirement account or an individual retirement annuity, as defined in section

four hundred eight of the internal revenue code, and distributions received by an individual who has attained the age of fifty-nine and one-half from self-employed individual and owner-employee retirement plans which qualify under section four hundred one of the internal revenue code, whether or not the payments are periodic in nature. Nevertheless, the term "pensions and annuities" shall not include any lump sum distribution, as defined in subparagraph [(A)] (D) of paragraph four of subsection (e) of section four hundred two of the internal revenue code and taxed under section six hundred three of this article. Where a husband and wife file a joint state personal income tax return, the modification provided for in this paragraph shall be computed as if they were filing separate state personal income tax returns. Where a payment would otherwise come within the meaning of the term "pensions and annuities" as set forth in this paragraph, except that such individual is deceased, such payment shall, nevertheless, be treated as a pension or annuity for purposes of this paragraph if such payment is received by such individual's beneficiary.

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

(B) "Household" or "members of the household" means a qualified taxpayer and all other persons, not necessarily related, who have the same residence and share its furnishings, facilities and accommodations. Such terms shall not include a tenant, subtenant, roomer or boarder who 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 be a member of more than one household at one time.

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

(D) "Residence" means a dwelling in this state, IN A CITY WITH A POPULATION 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 necessary for use of the dwelling as a home, and may consist of a part of a multi-dwelling or multi-purpose building including a cooperative or condominium, and rental units within a single dwelling. Residence includes a trailer or mobile home, used exclusively for residential purposes and defined as real property pursuant to paragraph (g) of subdivision twelve of section one hundred two of the real property tax law.

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

(B) "Household" or "members of the household" means a qualified taxpayer and all other persons, not necessarily related, who have the same residence and share its furnishings, facilities and accommodations. Such terms shall not include a tenant, subtenant, roomer or boarder who 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 be a member of more than one household at one time.

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

(1) The commissioner may require the filing of a combined return which, in addition to the return provided for in subsection (b) of 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 fifty-one of this chapter and which may be required to be filed by such [individual] TAXPAYER pursuant to any local law enacted pursuant to the authority of article thirty, thirty-A or thirty-B of this chapter.

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

(1) A qualified New York manufacturer will be allowed a credit equal to twenty percent of the real property tax it paid during the taxable 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 credit will not be allowed if the real property taxes that are the basis for this credit are included in the calculation of another credit claimed by the taxpayer.

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

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

(yy) The tax-free NY area excise tax on telecommunication services 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 the economic development law shall be allowed a credit equal to the excise tax on telecommunication services imposed by section one hundred eighty-six-e of this chapter and passed through to such business during the taxable year to the extent not otherwise deducted in computing [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 been separately stated on a bill from the provider of telecommunication services and paid by such taxpayer with respect to such services 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

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

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

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

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

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

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

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

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

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

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

(vii) the amendments to section 25-b of the labor law made by section ten of this act, shall not affect the repeal of such section and shall be deemed repealed therewith.

PART J

Section 1. 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, is REPEALED.

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

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

(1) THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE NAME AND ADDRESS OF EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY ALLOCATED CREDITS UNDER THIS SECTION, THE TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, THE TOTAL AMOUNT OF QUALIFIED PRODUCTION COSTS AND PRODUCTION COSTS FOR EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF EMPLOYEES, CREDIT-ELIGIBLE MAN HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCIATED WITH EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY ALLOCATED CREDITS UNDER THIS SECTION;

(2) FOR QUALIFIED COMMERCIAL PRODUCTION COMPANIES THAT WERE ALLOCATED CREDIT PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH TWO OF SUBDIVISION (A) OF THIS SECTION: THE NAME AND ADDRESS OF EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, TOTAL QUALIFIED PRODUCTION COSTS AND PRODUCTION COSTS FOR EACH QUALIFIED PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF EMPLOYEES, CREDIT-ELIGIBLE MAN HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCIATED WITH EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY THAT FILMED OR RECORDED A QUALIFIED COMMERCIAL WITHIN THE DISTRICT;

(3) FOR QUALIFIED COMMERCIAL PRODUCTION COMPANIES THAT WERE ALLOCATED CREDIT PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH TWO OF SUBDIVISION (A) OF THIS SECTION: THE NAME AND ADDRESS OF EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, THE TOTAL DOLLAR AMOUNT OF CREDITS ALLOCATED, THE TOTAL AMOUNT OF CREDITS ALLOCATED TO EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY, TOTAL QUALIFIED PRODUCTION COSTS AND PRODUCTION COSTS FOR EACH QUALIFIED PRODUCTION COMPANY, AND THE ESTIMATED NUMBER OF EMPLOYEES, CREDIT-ELIGIBLE MAN HOURS, AND CREDIT-ELIGIBLE WAGES ASSOCIATED WITH EACH QUALIFIED COMMERCIAL PRODUCTION COMPANY THAT FILMED OR RECORDED A QUALIFIED COMMERCIAL OUTSIDE THE DISTRICT; AND

(4) THE AMOUNT OF CREDITS REALLOCATED TO ALL ELIGIBLE QUALIFIED COMMERCIAL PRODUCTION COMPANIES PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH TWO OF SUBDIVISION (A) OF THIS SECTION.

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

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

PART K

Section 1. Subdivisions 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, and 19 of section 352 of the economic development law, as added by section 1 of part MM of chapter 59 of the laws of 2010, subdivision 12

as amended by section 1 of part G of chapter 61 of the laws of 2011, are amended to read as follows:

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

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

[9.] 10. "Manufacturing" means the process of working raw materials into products suitable for use or which gives new shapes, new quality or new combinations to matter which has already gone through some artificial process by the use of machinery, tools, appliances, or other similar equipment. "Manufacturing" does not include an operation that involves only the assembly of components, provided, however, the assembly of motor vehicles or other high value-added products shall be considered manufacturing.

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

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

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

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

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

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

(B) JOBS OBTAINED BY AN ENTERTAINMENT COMPANY IN THIS STATE (I) AS A RESULT OF THE TERMINATION OF A LICENSING AGREEMENT WITH ANOTHER ENTERTAINMENT COMPANY, (II) THAT THE COMMISSIONER DETERMINES TO BE AT RISK OF LEAVING THE STATE AS A DIRECT RESULT OF THE TERMINATION, (III) THAT ARE EITHER FULL-TIME WAGE-PAYING JOBS OR EQUIVALENT TO A FULL-TIME WAGE-PAYING JOB REQUIRING AT LEAST THIRTY-FIVE HOURS PER WEEK, AND (IV) THAT ARE FILLED FOR MORE THAN SIX MONTHS.

[11.] 13. "Participant" means a business entity that:

(a) has completed an application prescribed by the department to be admitted into the program;

(b) has been issued a certificate of eligibility by the department;

(c) has demonstrated that it meets the eligibility criteria in section three hundred fifty-three and subdivision two of section three hundred fifty-four of this article; and

(d) has been certified as a participant by the commissioner.

[12.] 14. "Preliminary schedule of benefits" means the maximum aggregate amount of each component of the tax credit that a participant in the excelsior jobs program is eligible to receive pursuant to this article. The schedule shall indicate the annual amount of each component of the credit a participant may claim in each of its ten years of eligibility. The preliminary schedule of benefits shall be issued by the department when the department approves the application for admission into the program. The commissioner may amend that schedule, provided that the commissioner complies with the credit caps in section three hundred fifty-nine of this article.

[13.] 15. "Qualified investment" means an investment in tangible property (including a building or a structural component of a building) owned by a business enterprise which:

(a) is depreciable pursuant to section one hundred sixty-seven of the internal revenue code;

(b) has a useful life of four years or more;

(c) is acquired by purchase as defined in section one hundred seventy-nine (d) of the internal revenue code;

(d) has a situs in this state; and

(e) is placed in service in the state on or after the date the certificate of eligibility is issued to the business enterprise.

[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 net new jobs in agriculture in the state and making significant capital investment in the state, (c) a financial services firm, distribution center, or back office operation creating at least three hundred net new jobs in the state and making significant capital investment in the state, [or] (d) a scientific research and development firm creating at least twenty net new jobs in the state, and making significant capital investment in the state OR (E) AN ENTERTAINMENT COMPANY CREATING OR OBTAINING AT LEAST TWO HUNDRED NET NEW JOBS IN THE STATE AND MAKING SIGNIFICANT CAPITAL INVESTMENT IN THE STATE. Other businesses creating three hundred or more net new jobs in the state and making significant capital investment in the state may be considered eligible as a regionally significant project by the commissioner as well. The commissioner shall promulgate regulations pursuant to section three hundred fifty-six of this article to determine what constitutes significant capital investment for each of the project categories indicated in this subdivision and what additional criteria a business must meet to be eligible as a regionally significant project, including, but not limited

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

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

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

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

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

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

S 2. Subdivisions 1, 3, and 5 of section 353 of the economic development law, subdivisions 1 and 5 as amended by section 2 of part G of chapter 61 of the laws of 2011 and subdivision 3 as amended by section 1 of part C of chapter 68 of the laws of 2013, are amended to read as follows:

1. To be a participant in the excelsior jobs program, a business entity shall operate in New York state predominantly:

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

(b) in manufacturing;

(c) in software development and new media;

(d) in scientific research and development;

(e) in agriculture;

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

(g) in a distribution center; [or]

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

(I) AS AN ENTERTAINMENT COMPANY; OR

(J) IN MUSIC PRODUCTION.

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

operating predominately in agriculture must create at least five net new jobs; a business entity operating predominantly as a financial service data center or financial services customer back office operation must create at least fifty net new jobs; a business entity operating predominantly in scientific research and development must create at least five net new jobs; a business entity operating predominantly in software development must create at least five net new jobs; a business entity creating or expanding back office operations must create at least fifty net new jobs; A BUSINESS ENTITY OPERATING PREDOMINATELY IN MUSIC PRODUCTION MUST CREATE AT LEAST FIVE NET NEW JOBS; A BUSINESS ENTITY OPERATING PREDOMINANTLY AS AN ENTERTAINMENT COMPANY MUST CREATE OR 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 seventy-five net new jobs, notwithstanding subdivision five of this section; or a business entity must be a regionally significant project as defined in this article; or

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

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

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

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

6. Claim of tax credit. The business enterprise shall be allowed to 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 A TAX CREDIT DESCRIBED IN THIS SECTION SHALL BE USED BY SUCH ENTERTAINMENT COMPANY TO CLAIM ANY OTHER CREDIT ALLOWED PURSUANT TO THE TAX LAW.

S 5. This act shall take effect immediately.

PART L

Intentionally Omitted

PART M

Intentionally Omitted

PART N

Intentionally Omitted

PART O

Section 1. The economic development law is amended by adding a new article 22 to read as follows:

ARTICLE 22

EMPLOYEE TRAINING INCENTIVE PROGRAM

SECTION 441. DEFINITIONS.
442. ELIGIBILITY CRITERIA.
443. APPLICATION AND APPROVAL PROCESS.
444. POWERS AND DUTIES OF THE COMMISSIONER.
445. RECORDKEEPING REQUIREMENTS.
446. CAP ON TAX CREDIT.

S 441. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "APPROVED PROVIDER" MEANS AN ENTITY MEETING SUCH CRITERIA AS SHALL BE ESTABLISHED BY THE COMMISSIONER IN RULES AND REGULATIONS PROMULGATED PURSUANT TO THIS ARTICLE, THAT MAY PROVIDE ELIGIBLE TRAINING TO EMPLOYEES OF A BUSINESS ENTITY PARTICIPATING IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM; PROVIDED THAT, FOR INTERNSHIP PROGRAMS, THE BUSINESS ENTITY SHALL BE AN APPROVED PROVIDER OR AN APPROVED PROVIDER IN CONTRACT WITH SUCH BUSINESS ENTITY. SUCH CRITERIA SHALL ENSURE THAT ANY APPROVED PROVIDER POSSESS ADEQUATE CREDENTIALS TO PROVIDE THE TRAINING DESCRIBED IN AN APPLICATION BY A BUSINESS ENTITY TO THE COMMISSIONER TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM.

2. "COMMISSIONER" MEANS THE COMMISSIONER OF ECONOMIC DEVELOPMENT.

3. "ELIGIBLE TRAINING" MEANS (A) TRAINING PROVIDED BY AN APPROVED PROVIDER THAT IS:

(I) TO UPGRADE, RETRAIN OR IMPROVE THE PRODUCTIVITY OF EMPLOYEES;

(II) PROVIDED TO EMPLOYEES FILLING NET NEW JOBS, OR TO EXISTING EMPLOYEES IN CONNECTION WITH A SIGNIFICANT CAPITAL INVESTMENT BY A PARTICIPATING BUSINESS ENTITY;

(III) DETERMINED BY THE COMMISSIONER TO SATISFY A BUSINESS NEED ON THE PART OF A PARTICIPATING BUSINESS ENTITY;

(IV) NOT DESIGNED TO TRAIN OR UPGRADE SKILLS AS REQUIRED BY A FEDERAL OR STATE ENTITY;

(V) NOT TRAINING THE COMPLETION OF WHICH MAY RESULT IN THE AWARDING OF A LICENSE OR CERTIFICATE REQUIRED BY LAW IN ORDER TO PERFORM A JOB FUNCTION; AND

(VI) NOT CULTURALLY FOCUSED TRAINING; OR

(B) AN INTERNSHIP PROGRAM IN ADVANCED TECHNOLOGY APPROVED BY THE COMMISSIONER AND PROVIDED BY AN APPROVED PROVIDER, ON OR AFTER AUGUST FIRST, TWO THOUSAND FIFTEEN, TO PROVIDE EMPLOYMENT AND EXPERIENCE OPPORTUNITIES FOR CURRENT STUDENTS, RECENT GRADUATES, AND RECENT MEMBERS OF THE ARMED FORCES.

4. "NET NEW JOB" MEANS A JOB CREATED IN THIS STATE THAT:

(A) IS NEW TO THE STATE;

(B) HAS NOT BEEN TRANSFERRED FROM EMPLOYMENT WITH ANOTHER BUSINESS LOCATED IN THIS STATE THROUGH AN ACQUISITION, MERGER, CONSOLIDATION OR

OTHER REORGANIZATION OF BUSINESSES OR THE ACQUISITION OF ASSETS OF ANOTHER BUSINESS, AND HAS NOT BEEN TRANSFERRED FROM EMPLOYMENT WITH A RELATED PERSON IN THIS STATE;

(C) IS EITHER A FULL-TIME WAGE-PAYING JOB OR EQUIVALENT TO A FULL-TIME WAGE-PAYING JOB REQUIRING AT LEAST THIRTY-FIVE HOURS PER WEEK;

(D) IS FILLED FOR MORE THAN SIX MONTHS;

(E) IS FILLED BY A PERSON WHO HAS RECEIVED ELIGIBLE TRAINING; AND

(F) IS COMPRISED OF TASKS THE PERFORMANCE OF WHICH REQUIRED THE PERSON FILLING THE JOB TO UNDERGO ELIGIBLE TRAINING.

5. "SIGNIFICANT CAPITAL INVESTMENT" MEANS A CAPITAL INVESTMENT OF AT LEAST ONE MILLION DOLLARS IN NEW BUSINESS PROCESSES OR EQUIPMENT.

6. "STRATEGIC INDUSTRY" MEANS AN INDUSTRY IN THIS STATE, AS ESTABLISHED BY THE COMMISSIONER IN REGULATIONS PROMULGATED PURSUANT TO THIS ARTICLE, BASED UPON THE FOLLOWING CRITERIA:

(A) SHORTAGES OF WORKERS TRAINED TO WORK WITHIN THE INDUSTRY;

(B) TECHNOLOGICAL DISRUPTION IN THE INDUSTRY, REQUIRING SIGNIFICANT CAPITAL INVESTMENT FOR EXISTING BUSINESSES TO REMAIN COMPETITIVE;

(C) THE ABILITY OF BUSINESSES IN THE INDUSTRY TO RELOCATE OUTSIDE OF THE STATE IN ORDER TO ATTRACT TALENT;

(D) THE POTENTIAL TO RECRUIT MINORITIES AND WOMEN TO BE TRAINED TO WORK IN THE INDUSTRY IN WHICH THEY ARE TRADITIONALLY UNDERREPRESENTED;

(E) THE POTENTIAL TO CREATE JOBS IN ECONOMICALLY DISTRESSED AREAS, WHICH SHALL BE BASED ON CRITERIA INDICATIVE OF ECONOMIC DISTRESS, INCLUDING POVERTY RATES, NUMBERS OF PERSONS RECEIVING PUBLIC ASSISTANCE, AND UNEMPLOYMENT RATES; OR

(F) SUCH OTHER CRITERIA AS SHALL BE DEVELOPED BY THE COMMISSIONER IN CONSULTATION WITH THE COMMISSIONER OF LABOR.

S 442. ELIGIBILITY CRITERIA. IN ORDER TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, A BUSINESS ENTITY MUST SATISFY THE FOLLOWING CRITERIA:

1. (A) THE BUSINESS ENTITY MUST OPERATE IN THE STATE PREDOMINANTLY IN A STRATEGIC INDUSTRY;

(B) THE BUSINESS ENTITY MUST DEMONSTRATE THAT IT IS OBTAINING ELIGIBLE TRAINING FROM AN APPROVED PROVIDER;

(C) THE BUSINESS ENTITY MUST CREATE AT LEAST TEN NET NEW JOBS OR MAKE A SIGNIFICANT CAPITAL INVESTMENT IN CONNECTION WITH THE ELIGIBLE TRAINING; AND

(D) THE BUSINESS ENTITY MUST BE IN COMPLIANCE WITH ALL WORKER PROTECTION AND ENVIRONMENTAL LAWS AND REGULATIONS. IN ADDITION, THE BUSINESS ENTITY MAY NOT OWE PAST DUE STATE TAXES OR LOCAL PROPERTY TAXES; OR

2. (A) THE BUSINESS ENTITY, OR AN APPROVED PROVIDER IN CONTRACT WITH SUCH BUSINESS ENTITY, MUST BE APPROVED BY THE COMMISSIONER TO PROVIDE ELIGIBLE TRAINING IN THE FORM OF AN INTERNSHIP PROGRAM IN ADVANCED TECHNOLOGY PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THIS ARTICLE;

(B) THE BUSINESS ENTITY MUST BE LOCATED IN THE STATE;

(C) THE BUSINESS ENTITY MUST BE IN COMPLIANCE WITH ALL WORKER PROTECTION AND ENVIRONMENTAL LAWS AND REGULATIONS. IN ADDITION, THE BUSINESS ENTITY MUST NOT HAVE PAST DUE STATE TAXES OR LOCAL PROPERTY TAXES;

(D) THE INTERNSHIP PROGRAM SHALL NOT DISPLACE REGULAR EMPLOYEES;

(E) THE BUSINESS ENTITY MUST HAVE LESS THAN ONE HUNDRED EMPLOYEES; AND

(F) PARTICIPATION OF AN INDIVIDUAL IN AN INTERNSHIP PROGRAM SHALL NOT LAST MORE THAN A TOTAL OF TWELVE MONTHS.

S 443. APPLICATION AND APPROVAL PROCESS. 1. A BUSINESS ENTITY MUST SUBMIT A COMPLETED APPLICATION IN SUCH FORM AND WITH SUCH INFORMATION AS PRESCRIBED BY THE COMMISSIONER.

2. AS PART OF SUCH APPLICATION, EACH BUSINESS ENTITY MUST:

(A) PROVIDE SUCH DOCUMENTATION AS THE COMMISSIONER MAY REQUIRE IN ORDER FOR THE COMMISSIONER TO DETERMINE THAT THE BUSINESS ENTITY INTENDS TO PROCURE ELIGIBLE TRAINING FOR ITS EMPLOYEES FROM AN APPROVED PROVIDER;

(B) AGREE TO ALLOW THE DEPARTMENT OF TAXATION AND FINANCE TO SHARE ITS TAX INFORMATION WITH THE DEPARTMENT. HOWEVER, ANY INFORMATION SHARED AS A RESULT OF THIS AGREEMENT SHALL NOT BE AVAILABLE FOR DISCLOSURE OR INSPECTION UNDER THE STATE FREEDOM OF INFORMATION LAW;

(C) AGREE TO ALLOW THE DEPARTMENT OF LABOR TO SHARE ITS TAX AND EMPLOYER INFORMATION WITH THE DEPARTMENT. HOWEVER, ANY INFORMATION SHARED AS A RESULT OF THIS AGREEMENT SHALL NOT BE AVAILABLE FOR DISCLOSURE OR INSPECTION UNDER THE STATE FREEDOM OF INFORMATION LAW;

(D) ALLOW THE DEPARTMENT AND ITS AGENTS ACCESS TO ANY AND ALL BOOKS AND RECORDS THE DEPARTMENT MAY REQUIRE TO MONITOR COMPLIANCE;

(E) PROVIDE A CLEAR AND DETAILED PRESENTATION OF ALL RELATED PERSONS TO THE APPLICANT TO ASSURE THE DEPARTMENT THAT JOBS ARE NOT BEING SHIFTED WITHIN THE STATE; AND

(F) CERTIFY, UNDER PENALTY OF PERJURY, THAT IT IS IN SUBSTANTIAL COMPLIANCE WITH ALL ENVIRONMENTAL, WORKER PROTECTION, AND LOCAL, STATE, AND FEDERAL TAX LAWS.

3. THE COMMISSIONER MAY APPROVE AN APPLICATION FROM A BUSINESS ENTITY UPON DETERMINING THAT SUCH BUSINESS ENTITY MEETS THE ELIGIBILITY CRITERIA ESTABLISHED IN SECTION FOUR HUNDRED FORTY-TWO OF THIS ARTICLE. FOLLOWING APPROVAL BY THE COMMISSIONER OF AN APPLICATION BY A BUSINESS ENTITY TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, THE COMMISSIONER SHALL ISSUE A CERTIFICATE OF TAX CREDIT TO THE BUSINESS ENTITY UPON ITS DEMONSTRATING SUCCESSFUL COMPLETION OF SUCH ELIGIBLE TRAINING TO THE SATISFACTION OF THE COMMISSIONER. FOR ELIGIBLE TRAINING AS DEFINED BY PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THIS ARTICLE THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO FIFTY PERCENT OF ELIGIBLE TRAINING COSTS, UP TO A CREDIT OF TEN THOUSAND DOLLARS PER EMPLOYEE RECEIVING ELIGIBLE TRAINING. FOR ELIGIBLE TRAINING AS DEFINED BY PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED 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 THOUSAND DOLLARS PER INTERN. THE TAX CREDITS SHALL BE CLAIMED BY THE QUALIFIED EMPLOYER AS SPECIFIED IN SUBDIVISION FIFTY OF SECTION TWO HUNDRED TEN-B AND SUBSECTION (DDD) OF SECTION SIX HUNDRED SIX OF THE TAX LAW.

S 444. POWERS AND DUTIES OF THE COMMISSIONER. 1. THE COMMISSIONER SHALL, IN CONSULTATION WITH THE COMMISSIONER OF LABOR, PROMULGATE REGULATIONS CONSISTENT WITH THE PURPOSES OF THIS ARTICLE THAT, NOTWITHSTANDING ANY PROVISIONS TO THE CONTRARY IN THE STATE ADMINISTRATIVE PROCEDURE ACT, MAY BE ADOPTED ON AN EMERGENCY BASIS. SUCH REGULATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ELIGIBILITY CRITERIA FOR BUSINESS ENTITIES DESIRING TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM, PROCEDURES FOR THE RECEIPT AND EVALUATION OF APPLICATIONS FROM BUSINESS ENTITIES TO PARTICIPATE IN THE PROGRAM, AND SUCH OTHER PROVISIONS AS THE COMMISSIONER DEEMS TO BE APPROPRIATE IN ORDER TO IMPLEMENT THE PROVISIONS OF THIS ARTICLE.

2. THE COMMISSIONER SHALL, IN CONSULTATION WITH THE DEPARTMENT OF TAXATION AND FINANCE, DEVELOP A CERTIFICATE OF TAX CREDIT THAT SHALL BE

ISSUED BY THE COMMISSIONER TO PARTICIPATING BUSINESS ENTITIES. PARTICIPANTS MAY BE REQUIRED BY THE COMMISSIONER OF TAXATION AND FINANCE TO INCLUDE THE CERTIFICATE OF TAX CREDIT WITH THEIR TAX RETURN TO RECEIVE ANY TAX BENEFITS UNDER THIS ARTICLE.

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

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

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

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

50. EMPLOYEE TRAINING INCENTIVE PROGRAM TAX CREDIT. (A) A TAXPAYER THAT HAS BEEN APPROVED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM AND HAS BEEN ISSUED A CERTIFICATE OF TAX CREDIT PURSUANT TO SECTION FOUR HUNDRED FORTY-THREE OF THE ECONOMIC DEVELOPMENT LAW SHALL BE ALLOWED TO CLAIM A 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 TEN THOUSAND DOLLARS PER EMPLOYEE COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE ECONOMIC DEVELOPMENT LAW. THE CREDIT SHALL EQUAL FIFTY PERCENT OF THE STIPEND PAID TO AN INTERN, UP TO A CREDIT OF THREE THOUSAND DOLLARS PER INTERN COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE ECONOMIC DEVELOPMENT LAW. IN NO EVENT SHALL A TAXPAYER BE ALLOWED A CREDIT GREATER THAN THE AMOUNT OF CREDIT LISTED ON THE CERTIFICATE OF TAX CREDIT ISSUED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT. THE CREDIT WILL BE ALLOWED IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE TRAINING IS COMPLETED.

(B) THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR MAY NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN THAT TAXABLE YEAR WILL 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. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST WILL BE PAID THEREON.

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

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

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

(DDD) EMPLOYEE TRAINING INCENTIVE PROGRAM TAX CREDIT. (1) A TAXPAYER THAT HAS BEEN APPROVED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT TO PARTICIPATE IN THE EMPLOYEE TRAINING INCENTIVE PROGRAM AND HAS BEEN ISSUED A CERTIFICATE OF TAX CREDIT PURSUANT TO SECTION FOUR HUNDRED FORTY-THREE OF THE ECONOMIC DEVELOPMENT LAW SHALL BE ALLOWED TO CLAIM A 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 TEN THOUSAND DOLLARS PER EMPLOYEE COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH (A) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE ECONOMIC DEVELOPMENT LAW. THE CREDIT SHALL EQUAL FIFTY PERCENT OF THE STIPEND PAID TO AN INTERN, UP TO A CREDIT OF THREE THOUSAND DOLLARS PER INTERN COMPLETING ELIGIBLE TRAINING PURSUANT TO PARAGRAPH (B) OF SUBDIVISION THREE OF SECTION FOUR HUNDRED FORTY-ONE OF THE ECONOMIC DEVELOPMENT LAW. IN NO EVENT SHALL A TAXPAYER BE ALLOWED A CREDIT GREATER THAN THE AMOUNT LISTED ON THE CERTIFICATE OF TAX CREDIT ISSUED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT. IN THE CASE OF A TAXPAYER WHO IS A PARTNER IN A PARTNERSHIP, MEMBER OF A LIMITED LIABILITY COMPANY OR SHAREHOLDER IN AN S CORPORATION, THE TAXPAYER SHALL BE ALLOWED ITS PRO RATA SHARE OF THE CREDIT EARNED BY THE PARTNERSHIP, LIMITED LIABILITY COMPANY OR S CORPORATION. THE CREDIT WILL BE ALLOWED IN THE TAXABLE YEAR IN WHICH THE ELIGIBLE TRAINING IS COMPLETED.

(2) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR THE TAXABLE YEAR, THE EXCESS 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 ARTICLE, PROVIDED, HOWEVER, NO INTEREST WILL BE PAID THEREON.

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

(XLII) EMPLOYEE TRAINING INCENTIVE PROGRAM CREDIT UNDER SUBSECTION (DDD)	AMOUNT OF CREDIT UNDER SUBDIVISION FIFTY OF SECTION TWO HUNDRED TEN-B

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

PART P

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

(b) (1) In addition to the surcharge imposed by paragraph (a) of this subdivision, there is hereby imposed a surcharge on the gross receipts from telecommunication services, EXCEPT FOR THE GROSS RECEIPTS FROM MOBILE TELECOMMUNICATION SERVICES THAT ARE SUBJECT TO TAX UNDER SUBPARAGRAPH TWO OF THIS PARAGRAPH, relating to the metropolitan commuter 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

definitions and other provisions of section one hundred eighty-six-e of this article shall apply to the tax imposed by this [paragraph] SUBPARAGRAPH with such modification and limitation as may be necessary (including substituting the words "metropolitan commuter transportation district" for "state" where appropriate) in order to adapt the language of such section one hundred eighty-six-e of this article to the surcharge imposed by this [paragraph] SUBPARAGRAPH within such metropolitan commuter transportation district so as to include [(1)] (I) any intra-district telecommunication services[, except any telecommunication services the gross receipts from which are subject to tax under subparagraph four of this paragraph], [(2)] (II) any inter-district telecommunication services which originate or terminate in such district and are charged to a service address therein regardless of where the amounts charged for such services are billed or ultimately paid[, except any 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[, except any telecommunication services the gross receipts from which are subject to tax under subparagraph four of this paragraph, and (4) mobile telecommunications service provided by a home service provider where the place of primary use is within such metropolitan commuter transportation district]. Provided however, such tax surcharge shall be calculated as if the tax imposed under section one hundred eighty-six-e of this article were imposed at a rate of three and one-half percent.

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

(a) (1) There is hereby imposed an excise tax on the sale of telecommunication services, EXCEPT FOR THE SALE OF MOBILE TELECOMMUNICATION SERVICES THAT ARE SUBJECT TO TAX UNDER SUBPARAGRAPH TWO OF THIS PARAGRAPH, by any person which is a provider of telecommunication services, 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-quarter percent from October first, nineteen hundred ninety-eight 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[, except any telecommunication services the gross receipt from which is subject to tax under subparagraph four of this paragraph]; [(2)] (II) any interstate and international telecommunication services (other than

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

(2) THERE IS HEREBY IMPOSED AN EXCISE TAX ON THE SALE OF MOBILE TELECOMMUNICATION SERVICES, BY ANY PERSON WHICH IS A PROVIDER OF TELECOMMUNICATION 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 GROSS RECEIPTS FROM ANY MOBILE TELECOMMUNICATIONS SERVICE PROVIDED BY A HOME SERVICE PROVIDER WHERE THE MOBILE TELECOMMUNICATIONS CUSTOMER'S PLACE OF PRIMARY USE IS WITHIN THIS STATE.

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

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

S 4. Severability. If any provision of this act shall for any reason be finally adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of this act, but shall be confined in its operation to the provision directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provision had 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 telecommunication services, pursuant to subparagraph (2) of paragraph (a) of subdivision 2 of section 186-e of the tax law, to be invalid as imposed on the sale of such services, such tax rates shall be imposed on the sale of all telecommunication services, including the sale of mobile telecommunication services.

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

PART Q

Intentionally Omitted

PART R

Intentionally Omitted

PART S

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

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

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

(b) Upon the failure of the designating corporation to file a certificate of amendment or change providing for the designation by the corporation of the new address after the filing of a certificate of resignation for receipt of process with the secretary of state, its authority 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 the principal executive office stated in the last filed statement [of addresses and directors], shall constitute the new address for process of the corporation PROVIDED SUCH ADDRESS IS DIFFERENT FROM THE PREVIOUS 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.

S 3. Section 408 of the business corporation law, as added by chapter 55 of the laws of 1992, the section heading as amended by chapter 375 of the laws of 1998, subparagraph (a) of paragraph 1 and paragraph 2 as 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 as added by chapter 469 of the laws of 1997, and paragraph 7 as added by chapter 172 of the laws of 2000, is amended to read as follows:

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.

(c) The post office address within or without this state to which the secretary of state shall mail a copy of any process against it served upon him or her. Such address shall supersede any previous address on 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.

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

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

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

5. The provisions of this section and section 409 of this article shall not apply to a farm corporation. For the purposes of this subdivision, the term "farm corporation" shall mean any domestic corporation or foreign corporation authorized to do business in this state under this chapter engaged in the production of crops, livestock and livestock products on land used in agricultural production, as defined in section 301 of the agriculture and markets law. HOWEVER, THIS EXCEPTION SHALL NOT APPLY TO FARM CORPORATIONS THAT HAVE FILED STATEMENTS WITH THE DEPARTMENT OF STATE WHICH HAVE BEEN SUBMITTED THROUGH THE DEPARTMENT OF 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 DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF BIENNIAL STATEMENTS. THIS AGREEMENT MAY APPLY TO TAX REPORTS DUE FOR TAX YEARS STARTING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

(B) IF THE AGREEMENT DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH IS MADE, EACH CORPORATION REQUIRED TO FILE THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SECTION THAT IS ALSO SUBJECT TO TAX UNDER ARTICLE NINE OR NINE-A OF THE TAX LAW SHALL INCLUDE SUCH STATEMENT ANNUALLY ON ITS TAX REPORT FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF FILING A STATEMENT UNDER THIS SECTION WITH THE DEPARTMENT OF STATE AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. HOWEVER, EACH CORPORATION REQUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE THE BIENNIAL STATEMENT REQUIRED BY THIS SECTION WITH THE DEPARTMENT OF STATE UNTIL THE CORPORATION IN FACT HAS FILED A TAX REPORT WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER THAT TIME, THE CORPORATION SHALL CONTINUE TO DELIVER ANNUALLY THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SECTION ON ITS TAX REPORT IN LIEU OF THE BIENNIAL STATEMENT REQUIRED BY THIS SECTION.

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

DEPARTMENT OF STATE FOR FILING THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SECTION FOR EACH CORPORATION THAT FILES A TAX REPORT CONTAINING SUCH STATEMENT. THE DEPARTMENT OF TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE THE CURRENT NAME OF THE CORPORATION, DEPARTMENT OF STATE IDENTIFICATION NUMBER FOR SUCH CORPORATION, THE NAME, SIGNATURE 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 THE FILER OF THE STATEMENT.

S 4. Section 409 of the business corporation law is amended by adding 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.

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

(e) [Every] (1) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBDIVISION, EVERY limited liability company to which this chapter applies, shall biennially in the calendar month during which its articles of organization or application for authority were filed, or effective date thereof if stated, file on forms prescribed by the secretary of state, a statement setting forth the post office address within or without this state 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 any previous address on file with the department of state for this purpose.

(2) THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW LIMITED LIABILITY COMPANIES TO INCLUDE THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION ON TAX REPORTS FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF BIENNIAL STATEMENTS AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, EACH LIMITED LIABILITY COMPANY REQUIRED TO FILE THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION THAT IS SUBJECT TO THE FILING FEE IMPOSED BY PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE PAYMENT FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF FILING A STATEMENT UNDER THIS SECTION WITH THE DEPARTMENT OF STATE. HOWEVER, EACH LIMITED LIABILITY COMPANY REQUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE THE BIENNIAL STATEMENT REQUIRED BY THIS SECTION WITH THE DEPARTMENT OF STATE UNTIL THE LIMITED LIABILITY COMPANY IN FACT HAS FILED A FILING FEE PAYMENT FORM WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER THAT TIME, THE LIMITED LIABILITY COMPANY SHALL CONTINUE TO PROVIDE ANNUALLY THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION ON ITS FILING FEE PAYMENT FORM IN LIEU OF THE BIENNIAL STATEMENT REQUIRED BY THIS SUBDIVISION.

(3) IF THE AGREEMENT DESCRIBED IN PARAGRAPH TWO OF THIS SUBDIVISION IS MADE, THE DEPARTMENT OF TAXATION AND FINANCE SHALL DELIVER TO THE DEPARTMENT OF STATE THE STATEMENT SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION CONTAINED ON FILING FEE PAYMENT FORMS. THE DEPARTMENT OF TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE THE CURRENT NAME OF THE LIMITED LIABILITY COMPANY, DEPARTMENT OF STATE IDENTIFICATION NUMBER FOR SUCH LIMITED LIABILITY COMPANY, THE NAME, SIGNATURE 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 THE FILER OF THE STATEMENT.

S 6. Subdivision (c) of section 301-A of the limited liability company law, as added by chapter 448 of the laws of 1998, is amended to read as follows:

(c) The filing by the department of state of a certificate of amendment or certificate of change OR THE FILING OF A STATEMENT UNDER SECTION THREE HUNDRED ONE OF THIS ARTICLE providing for a new address by a designating limited liability company shall annul the suspension and its authority to do business in this state shall be restored and continued as if no suspension had occurred.

S 7. Subdivision (c) of section 1101 of the limited liability company law is amended to read as follows:

(c) For the statement of address of the post office address to which the secretary of state shall mail a copy of any process against the limited liability company served upon him or her pursuant to section three hundred one of this chapter, nine dollars. THIS FEE SHALL NOT APPLY TO STATEMENTS SUBMITTED THROUGH THE DEPARTMENT OF TAXATION AND FINANCE PURSUANT TO PARAGRAPH TWO OF SUBDIVISION (E) OF SECTION THREE HUNDRED ONE OF THIS CHAPTER.

S 8. Subdivision (g) of section 121-1500 of the partnership law, as amended by chapter 643 of the laws of 1995, is amended to read as follows:

(g) Each registered limited liability partnership shall, within sixty days prior to the fifth anniversary of the effective date of its registration and every five years thereafter, furnish a statement to the department of state setting forth: (i) the name of the registered limited liability partnership, (ii) the address of the principal office of the registered limited liability partnership, (iii) the post office address within or without this state to which the secretary of state shall mail a copy of any process accepted against it served upon him or her, which address shall supersede any previous address on file with the department of state for this purpose, and (iv) a statement that it is eligible to register as a registered limited liability partnership pursuant to subdivision (a) of this section. The statement shall be executed by one or more partners of the registered limited liability partnership. The statement shall be accompanied by a fee of twenty dollars IF SUBMITTED DIRECTLY TO THE DEPARTMENT OF STATE. THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW REGISTERED LIMITED LIABILITY PARTNERSHIPS TO PROVIDE THE STATEMENT SPECIFIED IN THIS SUBDIVISION ON TAX REPORTS FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF STATEMENTS FILED DIRECTLY WITH THE SECRETARY OF STATE AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, EACH REGISTERED LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE THE STATEMENT SPECIFIED IN THIS SUBDIVISION THAT IS SUBJECT TO THE FILING FEE IMPOSED BY PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE PAYMENT FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF FILING A STATEMENT UNDER THIS SUBDIVISION WITH THE DEPARTMENT OF STATE. HOWEVER, EACH REGISTERED LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE A STATEMENT WITH THE DEPARTMENT OF STATE AS REQUIRED BY THIS SECTION UNTIL THE REGISTERED LIMITED LIABILITY PARTNERSHIP IN FACT HAS FILED A FILING FEE PAYMENT FORM WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES

ALL REQUIRED INFORMATION. AFTER THAT TIME, THE REGISTERED LIMITED LIABILITY PARTNERSHIP SHALL CONTINUE TO PROVIDE ANNUALLY THE STATEMENT SPECIFIED IN THIS SUBDIVISION ON ITS FILING FEE PAYMENT FORM IN LIEU OF THE STATEMENT REQUIRED BY THIS SUBDIVISION. THE COMMISSIONER OF TAXATION AND FINANCE SHALL DELIVER THE COMPLETED STATEMENT SPECIFIED IN THIS SUBDIVISION TO THE DEPARTMENT OF STATE FOR FILING. THE DEPARTMENT OF TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE IN SUCH DELIVERY THE CURRENT NAME OF THE REGISTERED LIMITED LIABILITY PARTNERSHIP, DEPARTMENT OF STATE IDENTIFICATION NUMBER FOR SUCH REGISTERED LIMITED LIABILITY PARTNERSHIP, THE NAME, SIGNATURE 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 THE FILER OF THE STATEMENT. If a registered limited liability partnership shall not timely file the statement required by this subdivision, the department of state may, upon sixty days' notice mailed to the address of such registered limited liability partnership as shown in the last registration or statement or certificate of amendment filed by such registered limited liability partnership, make a proclamation declaring the registration of such registered limited liability partnership to be revoked pursuant to this subdivision. The department of state shall file the 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 proclamation. THIS SHALL NOT APPLY TO REGISTERED LIMITED LIABILITY PARTNERSHIPS THAT HAVE FILED A STATEMENT WITH THE DEPARTMENT OF STATE THROUGH THE DEPARTMENT OF TAXATION AND FINANCE. Upon the publication of such proclamation in the manner aforesaid, the registration of each registered limited liability partnership named in such proclamation shall be deemed revoked without further legal proceedings. Any registered limited liability partnership whose registration was so revoked may file in the department of state a [certificate of consent certifying that either a] statement required by this subdivision [has been filed or accompanies the certificate of consent and all fees imposed under this chapter on the registered limited liability partnership have been paid]. The filing of such [certificate of consent] STATEMENT shall have the effect of annulling all of the proceedings theretofore taken for the revocation of the registration of such registered limited liability partnership under this subdivision and (1) the registered limited liability partnership shall 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 effect as if such proclamation had not been made or published and (2) such publication shall not affect the applicability of the provisions of subdivision (b) of section twenty-six of this chapter to any debt, obligation or liability incurred, created or assumed from the date of publication of the proclamation 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 fifty dollars and if accompanied by a statement, the fee required by this subdivision] STATEMENT WITH THE DEPARTMENT OF STATE. If, after the publication of such proclamation, it shall be determined by the department of state that the name of any registered limited liability partnership was erroneously included in such proclamation, the department of state shall make appropriate entry on its records, which entry shall have the effect of annulling all of the proceedings theretofore taken for the revocation of the registration of such registered limited liability partnership under this subdivision and (A) such registered limited liability partnership shall have such powers, rights, duties and obligations as it had on the date of the

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

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:

(i) the name under which the New York registered foreign limited liability partnership is carrying on or conducting or transacting business or activities in this state, (ii) the address of the principal office of the New York registered foreign limited liability partnership, (iii) the post office address within or without this state to which the secretary of state shall mail a copy of any process accepted against it served upon him or her, which address shall supersede any previous address on file with the department of state for this purpose, and (iv) a statement that it is a foreign limited liability partnership. The statement shall be executed by one or more partners of the New York registered foreign limited liability partnership. The statement shall be accompanied by a fee of fifty dollars IF SUBMITTED DIRECTLY TO THE DEPARTMENT OF STATE. THE COMMISSIONER OF TAXATION AND FINANCE AND THE SECRETARY OF STATE MAY AGREE TO ALLOW NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIPS TO PROVIDE THE STATEMENT SPECIFIED IN THIS PARAGRAPH ON TAX REPORTS FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF STATEMENTS FILED DIRECTLY WITH THE SECRETARY OF STATE AND IN A MANNER PRESCRIBED BY THE COMMISSIONER OF TAXATION AND FINANCE. IF THIS AGREEMENT IS MADE, STARTING WITH TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, EACH NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE THE STATEMENT SPECIFIED IN THIS PARAGRAPH THAT IS SUBJECT TO THE FILING FEE IMPOSED BY PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THE TAX LAW SHALL PROVIDE SUCH STATEMENT ANNUALLY ON ITS FILING FEE PAYMENT FORM FILED WITH THE DEPARTMENT OF TAXATION AND FINANCE IN LIEU OF FILING A STATEMENT UNDER THIS PARAGRAPH DIRECTLY WITH THE DEPARTMENT OF STATE. HOWEVER, EACH NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP REQUIRED TO FILE A STATEMENT UNDER THIS SECTION MUST CONTINUE TO FILE A STATEMENT WITH THE DEPARTMENT OF STATE AS REQUIRED BY THIS SECTION UNTIL THE NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP IN FACT HAS FILED A FILING FEE PAYMENT FORM WITH THE DEPARTMENT OF TAXATION AND FINANCE THAT INCLUDES ALL REQUIRED INFORMATION. AFTER THAT TIME, THE NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP SHALL CONTINUE TO PROVIDE ANNUALLY THE STATEMENT SPECIFIED IN THIS PARAGRAPH ON ITS FILING FEE PAYMENT FORM IN LIEU OF FILING THE STATEMENT REQUIRED BY THIS PARAGRAPH DIRECTLY WITH THE DEPARTMENT OF STATE. THE

COMMISSIONER OF TAXATION AND FINANCE SHALL DELIVER THE COMPLETED STATEMENT SPECIFIED IN THIS PARAGRAPH TO THE DEPARTMENT OF STATE FOR FILING. THE DEPARTMENT OF TAXATION AND FINANCE MUST, TO THE EXTENT FEASIBLE, ALSO INCLUDE IN SUCH DELIVERY THE CURRENT NAME OF THE NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP, DEPARTMENT OF STATE IDENTIFICATION NUMBER FOR SUCH NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP, THE NAME, SIGNATURE 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 THE FILER OF THE STATEMENT. If a New York registered foreign limited liability partnership shall not timely file the statement required by this subdivision, the department of state may, upon sixty days' notice mailed to the address of such New York registered foreign limited liability partnership as shown in the last notice or statement or certificate of amendment filed by such New York registered 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 APPLY TO NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIPS THAT HAVE FILED A STATEMENT WITH THE DEPARTMENT OF STATE THROUGH THE DEPARTMENT OF TAXATION AND FINANCE. The department of state shall file the 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 proclamation. Upon the publication of such proclamation in the manner aforesaid, the status of each New York registered foreign limited liability partnership named in such proclamation shall be deemed revoked without further legal proceedings. Any New York registered foreign limited liability partnership whose status was so revoked may file in the department of state a [certificate of consent certifying that either a] statement required by this subdivision [has been filed or accompanies the certificate of consent and all fees imposed under this chapter on the New York registered foreign limited liability partnership have been paid]. The filing of such [certificate of consent] STATEMENT shall have the effect of annulling all of the proceedings theretofore taken for the revocation of the status of such New York registered foreign limited liability partnership under this subdivision and (1) the New York registered foreign limited liability partnership shall 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 effect as if such proclamation had not been made or published and (2) such publication shall not affect the applicability of the laws of the jurisdiction governing the agreement under which such New York registered foreign limited liability partnership is operating (including laws governing the liability of partners) to any debt, obligation or liability incurred, created or assumed from the date of publication of the proclamation 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 fifty dollars and if accompanied by a statement, the fee required by this subdivision] STATEMENT WITH THE DEPARTMENT OF STATE. If, after the publication of such proclamation, it shall be determined by the department of state that the name of any New York registered foreign limited liability partnership was erroneously included in such proclamation, the department of state shall make appropriate entry on its records, which entry shall have the effect of annulling all of the proceedings theretofore taken for the revocation of the status of such New York registered foreign limited liability partnership under this subdivision and (1) such New York registered foreign limited liability partnership shall

have such powers, rights, duties and obligations as it had on the date of the publication of the proclamation, with the same force and effect as if such proclamation had not been made or published and (2) such publication shall not affect the applicability of the laws of the jurisdiction governing the agreement under which such New York registered foreign limited liability partnership is operating (including laws governing the liability of partners) to any debt, obligation or liability incurred, created or assumed from the date of publication of the proclamation through the date of the making of the entry on the records of the department of state. Whenever a New York registered foreign limited liability partnership WHOSE STATUS WAS REVOKED shall have filed a [certificate of consent] STATEMENT pursuant to this subdivision or if the name of a New York registered foreign limited liability partnership was erroneously included in a proclamation and such proclamation was annulled, the department of state shall publish a notice thereof in the state register.

S 10. Subdivision (d) of section 121-1506 of the partnership law, as amended by chapter 172 of the laws of 1999, is amended to read as follows:

(d) The filing by the department of state of a certificate of amendment OR THE FILING OF A STATEMENT providing for a new address by a designating limited liability partnership shall annul the suspension and its authority to do business in this state shall be restored and continued as if no suspension had occurred.

S 11. Section 192 of the tax law is amended by adding a new subdivision 5 to read as follows:

5. NOTWITHSTANDING THE PROVISIONS OF SECTION TWO HUNDRED TWO OF THIS ARTICLE, THE COMMISSIONER SHALL PROVIDE THE STATEMENTS AND OTHER REQUIRED INFORMATION REQUESTED ON TAX REPORTS UNDER SECTION FOUR HUNDRED EIGHT OF THE BUSINESS CORPORATION LAW TO THE SECRETARY OF STATE FOR FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY OR IMAGE OF THAT PORTION OF THE REPORT SOLELY PERTINENT TO SUCH INFORMATION TO THE EXTENT FEASIBLE. THE COMMISSIONER MAY ALSO PROVIDE INFORMATION ON NONCOMPLIANCE.

S 12. Section 211 of the tax law is amended by adding a new subdivision 15 to read as follows:

15. NOTWITHSTANDING THE PROVISIONS OF SUBDIVISION EIGHT OF THIS SECTION, THE COMMISSIONER SHALL PROVIDE THE STATEMENTS AND OTHER REQUIRED INFORMATION REQUESTED ON TAX REPORTS UNDER SECTION FOUR HUNDRED EIGHT OF THE BUSINESS CORPORATION LAW TO THE SECRETARY OF STATE FOR FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY OR IMAGE OF THAT PORTION OF THE REPORT SOLELY PERTINENT TO SUCH INFORMATION TO THE EXTENT FEASIBLE. THE COMMISSIONER ANY ALSO PROVIDE INFORMATION ON NONCOMPLIANCE.

S 13. Paragraph 3 of subsection (c) of section 658 of the tax law is amended by adding a new subparagraph (E) to read as follows:

(E) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (E) OF SECTION SIX HUNDRED NINETY-SEVEN OF THIS ARTICLE, THE COMMISSIONER SHALL PROVIDE THE STATEMENTS AND OTHER REQUIRED INFORMATION INCLUDED ON THE FILING FEE PAYMENT FORM UNDER SECTION THREE HUNDRED ONE OF THE LIMITED LIABILITY COMPANY LAW, SUBDIVISION (G) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, AND SUBDIVISION (F) OF SECTION 121-1502 OF THE PARTNERSHIP LAW, TO THE SECRETARY OF STATE FOR FILING. SUCH PROVISION MAY ALSO INCLUDE A COPY OR IMAGE OF THAT PORTION OF THE REPORT SOLELY PERTINENT TO SUCH INFORMATION TO THE EXTENT FEASIBLE. THE COMMISSIONER MAY ALSO PROVIDE INFORMATION ON NONCOMPLIANCE.

S 14. Section 1085 of the tax law is amended by adding a new subsection (v) to read as follows:

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

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

(DD) FAILURE TO SUPPLY ALL THE INFORMATION REQUIRED OR TO PROVIDE CORRECT INFORMATION IN SECRETARY OF STATE STATEMENTS. UNLESS IT IS SHOWN THAT SUCH FAILURE TO PROVIDE THE STATEMENT AND INFORMATION REQUIRED BY SUBDIVISION (E) OF SECTION THREE HUNDRED ONE OF THE LIMITED LIABILITY COMPANY LAW, SUBDIVISION (G) OF SECTION 121-1500 OF THE PARTNERSHIP LAW, AND SUBDIVISION (F) OF SECTION 121-1502 OF THE PARTNERSHIP LAW IS DUE TO REASONABLE CAUSE AND NOT TO WILLFUL NEGLECT, THERE SHALL, UPON NOTICE AND DEMAND BY THE COMMISSIONER AND IN THE SAME MANNER AS TAX, BE PAID BY THE ENTITY FAILING TO SUPPLY COMPLETE AND CORRECT INFORMATION, A PENALTY OF TWO HUNDRED AND FIFTY DOLLARS PER LIMITED LIABILITY COMPANY, REGISTERED LIMITED LIABILITY PARTNERSHIP OR NEW YORK REGISTERED FOREIGN LIMITED LIABILITY PARTNERSHIP REQUIRED TO PROVIDE SUCH INFORMATION ON ITS FILING FEE PAYMENT FORM.

S 16. This act shall take effect immediately.

PART T

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

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

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

S 2. Paragraph (d) of subdivision 5 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:

(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] taxable year and owns that stock on the last day of the taxable year, it will be presumed, SOLELY FOR PURPOSES OF DETERMINING WHETHER THAT STOCK SHOULD BE CLASSIFIED AS INVESTMENT CAPITAL AFTER IT IS ACQUIRED, that the taxpayer held that stock for more than [six consecutive months during the taxable] ONE year. However, if the taxpayer does not in fact [hold] OWN that stock [for more than six consecutive months,] AT THE TIME IT ACTUALLY FILES ITS ORIGINAL REPORT FOR THE TAXABLE YEAR IN WHICH IT ACQUIRED THE STOCK, THEN THE PRESUMPTION IN THE PRECEDING SENTENCE SHALL NOT APPLY AND THE ACTUAL PERIOD OF TIME DURING WHICH THE TAXPAYER OWNED THE STOCK SHALL BE USED TO DETERMINE WHETHER THE STOCK SHOULD BE CLASSIFIED AS INVESTMENT CAPITAL AFTER IT IS ACQUIRED. IF THE TAXPAYER RELIES ON THE PRESUMPTION IN THE FIRST SENTENCE OF THIS PARAGRAPH BUT DOES NOT OWN THE STOCK FOR MORE THAN ONE YEAR, the taxpayer must increase its total business capital in the immediately succeeding taxable year by the amount included in investment capital for that stock, net of any liabilities attributable to that stock computed as provided in paragraph (b) of this subdivision and must increase its business income in the immediately succeeding taxable year by the amount of income and net gains (but not less than zero) from that stock included in investment income, less any interest deductions directly or indirectly attributable to that stock, as provided in subdivision six of this section.

S 3. Paragraph (e) of subdivision 5 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:

(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.

S 4. Paragraph (f) of subdivision 5 of section 208 of the tax law is 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 attributable to investment capital or investment income, [and (ii) the taxpay-

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

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

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

(b) "Exempt CFC income" means the income required to be included in the taxpayer's federal gross income pursuant to subsection (a) of section 951 of the internal revenue code, received from a corporation that is conducting a unitary business with the taxpayer but is not included in a combined report with the taxpayer, less, in the discretion of the commissioner, any interest deductions directly or indirectly attributable to that income. In lieu of subtracting from its exempt CFC income the amount of those interest deductions, the taxpayer may [elect] 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 this section and paragraph (c) of this subdivision. IF THE TAXPAYER SUBSEQUENTLY REVOKES THIS ELECTION, THE TAXPAYER MUST REVOKE THE ELECTIONS PROVIDED FOR IN PARAGRAPH (B) OF SUBDIVISION SIX OF THIS SECTION AND PARAGRAPH (C) OF THIS SUBDIVISION. A taxpayer which does not make this election because it has no exempt CFC income will not be precluded from making those other elections.

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

thirty-three of this chapter if subject to tax, in lieu of subtracting from this dividend income those interest deductions, the taxpayer may [elect] MAKE A REVOCABLE ELECTION to reduce the total amount of this dividend 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 this section and paragraph (b) of this subdivision. IF THE TAXPAYER SUBSEQUENTLY REVOKES THIS ELECTION, THE TAXPAYER MUST ALSO REVOKE THE ELECTIONS PROVIDED FOR IN PARAGRAPH (B) OF SUBDIVISION SIX OF THIS SECTION AND PARAGRAPH (B) OF THIS SUBDIVISION. A taxpayer which does not make this election because it has not received any exempt unitary corporation dividends or is precluded from making this election for dividends received from corporations taxable under a franchise tax imposed by article nine or article thirty-three of this chapter or would be taxable under a franchise tax imposed by article nine or article thirty-three of this chapter if subject to tax will not be precluded from making those other elections.

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

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

(IV) Intercorporate stockholdings and bills, notes and accounts receivable, and other intercorporate indebtedness between the corporations included in the combined report shall be eliminated.

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

S 7. Clause (B) of subparagraph 2 and clause (B) of subparagraph 2-a of paragraph (s) 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, are amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For taxable years beginning before January first, two thousand sixteen, the amount prescribed by this paragraph shall be computed at the rate of seven and one-tenth percent of the taxpayer's business income base. For taxable years beginning on or after January first, two thousand sixteen, the amount prescribed by this paragraph shall be six and one-half percent of the taxpayer's business income base. The taxpayer's business income base shall mean the portion of the taxpayer's business income [allocated] APPORTIONED within the state as hereinafter provided. However, in the case of a small business taxpayer, as defined in paragraph (f) of this subdivision, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (iv) of this paragraph and in the case of a manufacturer, as defined in subparagraph (vi) of this paragraph, the amount prescribed by this paragraph shall be computed pursuant to subparagraph (vi) of this paragraph, AND, IN THE CASE OF A QUALIFIED EMERGING TECHNOLOGY COMPANY, AS DEFINED IN SUBPARAGRAPH (VII) OF THIS PARAGRAPH, THE AMOUNT PRESCRIBED BY THIS PARAGRAPH SHALL BE COMPUTED PURSUANT TO SUBPARAGRAPH (VII) OF THIS PARAGRAPH.

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

(vi) for taxable years beginning on or after January first, two thousand fourteen, the amount prescribed by this paragraph for a taxpayer 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 "manufacturer" shall mean a taxpayer which during the taxable year is principally engaged in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing. However, the generation and distribution of electricity, the distribution of natural gas, and the production of steam associated with the generation of electricity shall not be qualifying activities for a manufacturer 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 principally engaged in the activities set forth in this paragraph, or any combination thereof. A taxpayer or, IN THE CASE OF A COMBINED REPORT, a combined group shall be "principally engaged" in activities described above if, during the taxable year, more than fifty percent of the gross receipts of the taxpayer or combined group, respectively, are derived from receipts from the sale of goods produced by such activities. In computing a combined group's gross receipts, intercorporate receipts shall be eliminated. A "qualified New York manufacturer" is a manufacturer which has property in New York which is described in CLAUSE (A) OF 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 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 a combined report, a combined group, that does not satisfy the principally engaged test may be a qualified New York manufacturer if the taxpayer or the combined group employs during the taxable year at least two thousand five hundred employees in manufacturing in New York and the taxpayer or the combined group has property in the state used in manufacturing, the adjusted basis of which for federal income tax purposes at the close of the taxable year is at least one hundred million dollars.

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

(vii) For a taxpayer that is defined as a qualified emerging technology company under paragraph (c) of subdivision one of section thirty-one hundred two-e of the public authorities law regardless of the ten million dollar limitation expressed in subparagraph one of such paragraph (c) the AMOUNT PRESCRIBED BY THIS PARAGRAPH SHALL BE COMPUTED AT 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 technology companies shall be reduced by nine and two-tenths percent for taxable years commencing on or after January first, two thousand fourteen and before January first, two thousand fifteen, twelve and three-tenths percent for taxable years commencing on or after January first, two thousand fifteen and before January first, two thousand sixteen, fifteen and four-tenths percent for taxable years commencing on or after

January first, two thousand sixteen and before January first, two thousand eighteen, and twenty-five percent for taxable years beginning on or after January first, two thousand eighteen] OF 5.7 PERCENT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN AND BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, 5.5 PERCENT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST TWO THOUSAND SIXTEEN AND BEFORE JANUARY FIRST, TWO THOUSAND EIGHTEEN, AND 4.875 PERCENT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND EIGHTEEN.

S 13. Item (IV) of subclause 2 of clause (B) of subparagraph (viii) of paragraph (a) of 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:

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

S 14. Subclause 4 of clause (B) of subparagraph (viii) of paragraph (a) of 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:

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

S 15. The opening paragraph of subparagraph (ix) of paragraph (a) of 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:

In computing the business income base, a net operating loss deduction 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 forward OR CARRIED BACK to a particular [income] TAXABLE year. A net operating loss is the amount of a business loss incurred in a particular tax year multiplied by the apportionment factor for that year as determined under section two hundred ten-A of this article. The maximum net

operating LOSS deduction that is allowed in a taxable year is the amount that reduces the taxpayer's tax on [allocated] THE APPORTIONED business income 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:

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

(4) [A net operating loss may be carried forward to each of the twenty 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 the taxable year of the loss; provided, however no loss can be carried back to a tax year prior to a tax year beginning on or after January, first, two thousand fifteen. A taxpayer must apply both of these limitations in computing such net operating loss deduction.] A NET OPERATING LOSS MAY BE CARRIED BACK THREE TAXABLE YEARS PRECEDING THE TAXABLE YEAR OF THE LOSS ("THE LOSS YEAR"). HOWEVER NO LOSS CAN BE CARRIED BACK TO A TAXABLE YEAR BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN. THE 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 TAXABLE YEAR PRECEDING THE LOSS YEAR, AND ANY REMAINING AMOUNT IS CARRIED TO THE TAXABLE YEAR IMMEDIATELY PRECEDING THE LOSS YEAR. ANY UNUSED AMOUNT OF LOSS THEN REMAINING MAY BE CARRIED FORWARD FOR AS MANY AS TWENTY TAXABLE YEARS FOLLOWING THE LOSS YEAR. LOSSES CARRIED FORWARD ARE CARRIED FORWARD FIRST TO THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE LOSS YEAR, 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 UP OR THE TWENTIETH TAXABLE YEAR FOLLOWING THE LOSS YEAR, WHICHEVER COMES FIRST.

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

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

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

S 18. Paragraph (b) of subdivision 1 of section 210 of the tax law, as amended by section 12 of part A of chapter 59 of the laws of 2014, is 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 on or after January first, two thousand sixteen and before January first, two thousand seventeen; .100 percent for taxable years beginning on or after January first, two thousand seventeen and before January first, two thousand eighteen; .075 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .050 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, two thousand twenty; .025 percent for taxable years beginning on or after January first, two thousand twenty and before January first, 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 qualified New York manufacturer [for tax years subsequent to taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen] shall be .132 PERCENT FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN AND BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, .106 percent for taxable 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 before January first, two thousand eighteen; .056 percent for taxable years beginning on or after January first, two thousand eighteen and before January first, two thousand nineteen; .038 percent for taxable years beginning on or after January first, two thousand nineteen and before January first, thousand twenty; .019 percent for taxable years beginning on or after January first, two thousand twenty and before January first, two thousand twenty-one; and zero percent for years beginning on or after January first, two thousand twenty-one. (II) In no event shall the amount prescribed by this paragraph exceed three hundred fifty thousand dollars for qualified New York manufacturers and for all other taxpayers five million dollars.

(2) For purposes of subparagraph one of this paragraph, the term "manufacturer" shall mean a taxpayer which during the taxable year is principally engaged in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing. Moreover, for purposes of computing the capital base in 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 principally engaged in the activities set forth in this subparagraph, or any combination thereof. A taxpayer or, IN THE CASE OF A COMBINED REPORT, a combined group shall be "principally engaged" in activities described above if, during the taxable year, more than fifty percent of the gross receipts of the taxpayer or combined group, respectively, are derived from receipts from the sale of goods produced by such activities. In computing a combined group's gross receipts, intercorporate receipts shall be eliminated. A "qualified New York manufacturer" is a manufacturer that has property in New York that is described in CLAUSE (A) OF SUBPARAGRAPH (I) OF PARAGRAPH (B) OF subdivision one of section [210-B] TWO HUNDRED TEN-B of this article and either (i) the adjusted basis of 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 personal property is located in New York. In addition, a "qualified New York manufacturer" means a taxpayer that is defined as a qualified emerging technology company under paragraph (c) of subdivision one of section thirty-one hundred two-e of the public authorities law regard-

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

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

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

If New York receipts are:	The fixed dollar minimum tax is:
not more than $100,000	$ 25
more than $100,000 but not over $250,000	$ 50
more than $250,000 but not over $500,000	$ 175
more than $500,000 but not over $1,000,000	$ 300
more than $1,000,000 but not over $5,000,000	$1,000
more than $5,000,000 but not over $25,000,000	$3,000
Over $25,000,000	$4,500

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

FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2015 AND BEFORE JANUARY 1, 2016:

IF NEW YORK RECEIPTS ARE:	THE FIXED DOLLAR MINIMUM TAX IS:
NOT MORE THAN $100,000	$ 22
MORE THAN $100,000 BUT NOT OVER $250,000	$ 44
MORE THAN $250,000 BUT NOT OVER $500,000	$ 153
MORE THAN $500,000 BUT NOT OVER $1,000,000	$ 263
MORE THAN $1,000,000 BUT NOT OVER $5,000,000	$ 877
MORE THAN $5,000,000 BUT NOT OVER $25,000,000	$2,631
OVER $25,000,000	$3,947

FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY 1, 2016 AND BEFORE JANUARY 1, 2018:

IF NEW YORK RECEIPTS ARE:	THE FIXED DOLLAR MINIMUM TAX IS:
NOT MORE THAN $100,000	$ 21
MORE THAN $100,000 BUT NOT OVER $250,000	$ 42
MORE THAN $250,000 BUT NOT OVER $500,000	$ 148
MORE THAN $500,000 BUT NOT OVER $1,000,000	$ 254

MORE THAN $1,000,000 BUT NOT OVER $5,000,000	$ 846
MORE THAN $5,000,000 BUT NOT OVER $25,000,000	$2,538
OVER $25,000,000	$3,807

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

IF NEW YORK RECEIPTS ARE:	THE FIXED DOLLAR MINIMUM TAX IS:
NOT MORE THAN $100,000	$ 19
MORE THAN $100,000 BUT NOT OVER $250,000	$ 38
MORE THAN $250,000 BUT NOT OVER $500,000	$ 131
MORE THAN $500,000 BUT NOT OVER $1,000,000	$ 225
MORE THAN $1,000,000 BUT NOT OVER $5,000,000	$ 750
MORE THAN $5,000,000 BUT NOT OVER $25,000,000	$2,250
OVER $25,000,000	$3,375

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

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

If New York receipts are:	The fixed dollar minimum tax is:
not more than $100,000	$ 23
more than $100,000 but not over $250,000	$ 68
more than $250,000 but not over $500,000	$ 159
more than $500,000 but not over $1,000,000	$ 454
more than $1,000,000 but not over $5,000,000	$1,362
more than $5,000,000 but not over $25,000,000	$3,178
Over $25,000,000	$4,500]

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

If New York receipts are:	The fixed dollar minimum tax is:
not more than $100,000	$ 22
more than $100,000 but not over $250,000	$ 66
more than $250,000 but not over $500,000	$ 153
more than $500,000 but not over $1,000,000	$ 439
more than $1,000,000 but not over $5,000,000	$1,316
more than $5,000,000 but not over $25,000,000	$3,070
Over $25,000,000	$4,385

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

If New York receipts are:	The fixed dollar minimum tax is:

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

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

If New York receipts are:	The fixed dollar minimum tax is:
not more than $100,000	$ 19
more than $100,000 but not over $250,000	$ 56
more than $250,000 but not over $500,000	$ 131
more than $500,000 but not over $1,000,000	$ 375
more than $1,000,000 but not over $5,000,000	$1,125
more than $5,000,000 but not over $25,000,000	$2,625
Over $25,000,000	$3,750

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

If New York receipts are:	The fixed dollar minimum tax is:
not more than $100,000	$ 25
more than $100,000 but not over $250,000	$ 75
more than $250,000 but not over $500,000	$ 175
more than $500,000 but not over $1,000,000	$ 500
more than $1,000,000 but not over $5,000,000	$1,500
more than $5,000,000 but not over $25,000,000	$3,500
more than $25,000,000 but not over $50,000,000	$5,000
more than $50,000,000 but not over $100,000,000	$10,000
more than $100,000,000 but not over $250,000,000	$20,000
more than $250,000,000 but not over $500,000,000	$50,000
more than $500,000,000 but not over $1,000,000,000	$100,000
Over $1,000,000,000	$200,000

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

(2) If the taxable year is less than twelve months, the amount of New York receipts is determined by dividing the amount of the receipts for the taxable year by the number of months in the taxable year and multiplying the result by twelve, AND THE AMOUNT PRESCRIBED BY THIS PARAGRAPH 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 NINE MONTHS AND BY FIFTY PERCENT IF THE PERIOD FOR WHICH THE TAXPAYER IS 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 paragraph for the S short year and for the C short year shall not be less than the amount computed under this paragraph as if the corporation were a New York C corporation for the entire taxable year.

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

(f) For purposes of this section, the term "small business taxpayer" shall mean a taxpayer (i) which has an entire net income of not more than three hundred ninety thousand dollars for the taxable year; (ii) the aggregate amount of money and other property received by the corporation for stock, as a contribution to capital, and as paid-in surplus, does not exceed one million dollars; (iii) which is not part of an 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 taxpayer" pursuant to this subdivision; and (iv) which has an average number of individuals, excluding general executive officers, employed full-time in the state during the taxable year of one hundred or fewer. If the taxable period to which subparagraph (i) of this paragraph applies is less than twelve months, entire net income under such subparagraph shall be placed on an annual basis by multiplying the entire net 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 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 determination under the preceding sentence shall be made as of the time the property was received by the corporation. For purposes of subparagraph [(iii)] (IV) of this [section] PARAGRAPH, "average number of individuals, excluding general executive officers, employed full-time" shall be computed by ascertaining the number of such individuals employed by the taxpayer on the thirty-first day of March, the thirtieth day of June, the thirtieth day of September and the thirty-first day of December during each taxable year or other applicable period, by adding together the number of such individuals ascertained on each of such dates and dividing the sum so obtained by the number of such dates occurring within such taxable year or other applicable period. An individual employed 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 constitute the equivalent of a job at least thirty-five hours per week (full-time equivalent). Full-time equivalent employees in the state [includes] INCLUDE all employees regularly connected with or working out of an office or place of business of the taxpayer within the state.

S 21. Subdivision 1 of section 210-A of the tax law, as added by section 16 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

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

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

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

S 23. The opening paragraph and paragraph 1 of paragraph (a) of subdivision 5 of section 210-A of the tax law, as added by section 16 of part 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 marked to market under section 475 or section 1256 of the internal revenue code, provided that loans secured by real property shall not be qualified financial instruments.] A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A QUALIFIED FINANCIAL INSTRUMENT MEANS A FINANCIAL INSTRUMENT THAT IS OF A TYPE DESCRIBED IN ANY OF CLAUSES (A), (B), (C), (D), (G), (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 OR SECTION 1256 OF THE INTERNAL REVENUE CODE. FURTHER, IF THE TAXPAYER HAS IN THE TAXABLE YEAR MARKED TO MARKET A FINANCIAL INSTRUMENT OF THE 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 WITHIN THAT TYPE DESCRIBED IN THE ABOVE SPECIFIED CLAUSE OR CLAUSES THAT HAS NOT BEEN MARKED TO MARKET BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE IS A QUALIFIED FINANCIAL INSTRUMENT IN THE TAXABLE YEAR. NOTWITHSTANDING THE TWO PRECEDING SENTENCES, (I) A LOAN SECURED BY REAL PROPERTY SHALL NOT BE A QUALIFIED FINANCIAL INSTRUMENT, (II) IF THE ONLY LOANS THAT ARE MARKED TO MARKET BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE ARE LOANS SECURED BY REAL PROPERTY, THEN NO LOANS SHALL BE QUALIFIED FINANCIAL INSTRUMENTS, AND (III) STOCK THAT IS INVESTMENT CAPITAL AS DEFINED IN PARAGRAPH (A) OF SUBDIVISION FIVE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE SHALL NOT BE A QUALIFIED FINANCIAL INSTRUMENT. IF A CORPORATION IS INCLUDED IN A COMBINED REPORT, THE DEFINITION OF QUALIFIED FINANCIAL INSTRUMENT SHALL BE DETERMINED ON A COMBINED BASIS.

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

fied financial instruments is included in the denominator of the apportionment fraction.

S 24. Subclause (iv) of clause (A) of subparagraph 2 of paragraph (a) of subdivision 5 of section 210-A of the tax law, as added by section 16 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(iv) Net gains (not less than zero) from sales of loans not secured by real property are included in the numerator of the apportionment fraction as provided in this subclause. The amount of net gains from the sale of loans not secured by real property included in the numerator of the apportionment fraction is determined by multiplying the net gains by a fraction, the numerator of which is the amount of gross proceeds from sales of loans not secured by real property to purchasers located within the state and the denominator of which is the amount of gross [receipts] PROCEEDS from sales of loans not secured by real property to purchasers located within and without the state. Gross proceeds shall be determined after the deduction of any cost incurred to acquire the loans but shall not be less than zero. Net gains (not less than zero) from sales of loans not secured by real property are included in the denominator of the apportionment fraction.

S 25. Clause (A) of subparagraph 2 of paragraph (a) of subdivision 5 of section 210-A of the tax law is amended by adding a new subclause (v) to read as follows:

(V) FOR PURPOSES OF THIS SUBDIVISION, A LOAN IS SECURED BY REAL PROPERTY IF FIFTY PERCENT OR MORE OF THE VALUE OF THE COLLATERAL USED TO SECURE THE LOAN, WHEN VALUED AT FAIR MARKET VALUE AS OF THE TIME THE LOAN WAS ENTERED INTO, CONSISTS OF REAL PROPERTY.

S 25-a. Clause (I) of subparagraph 2 of paragraph (a) of subdivision 5 of section 210-A of the tax law, as added by section 16 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(I) Physical commodities. Net income (not less than zero) from sales of physical commodities are included in the numerator of the apportionment fraction as provided in this [subparagraph] CLAUSE. The amount of net income from sales of physical commodities included in the numerator of the apportionment fraction is determined by multiplying the net income from sales of physical commodities by a fraction, the numerator 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 delivery of the physical commodity, sold to purchasers located in the state, and the denominator of which is the amount of receipts from sales of physical commodities actually delivered to points within and without the state or, IF THERE IS NO ACTUAL DELIVERY OF THE PHYSICAL COMMODITY, sold to purchasers located within and without the state. Net income (not less [that] THAN zero) from sales of physical commodities is included in the denominator of the apportionment fraction. Net income (not less than zero) from sales of physical commodities is determined after the deduction of the cost to acquire or produce the physical commodities.

S 26. Subparagraph 2 of paragraph (a) of subdivision 5 of section 210-A of the tax law is amended by adding a new clause (J) to read as follows:

(J) MARKED TO MARKET NET GAINS. (I) FOR PURPOSES OF THIS SUBDIVISION, "MARKED TO MARKET" MEANS THAT A FINANCIAL INSTRUMENT IS, UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE, TREATED BY THE TAXPAYER AS SOLD FOR ITS FAIR MARKET VALUE ON THE LAST BUSINESS DAY OF THE TAXPAYER'S TAXABLE YEAR. "MARKED TO MARKET GAIN OR LOSS" MEANS THE GAIN OR LOSS RECOGNIZED BY THE TAXPAYER UNDER SECTION 475 OR SECTION 1256 OF

THE INTERNAL REVENUE CODE BECAUSE THE FINANCIAL INSTRUMENT IS TREATED AS SOLD FOR ITS FAIR MARKET VALUE ON THE LAST BUSINESS DAY OF THE TAXPAYER'S TAXABLE YEAR.

(II) THE AMOUNT OF MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FROM EACH TYPE OF FINANCIAL INSTRUMENT THAT IS MARKED TO MARKET INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED BY MULTIPLYING THE MARKED TO MARKET NET GAINS (BUT NOT LESS THAN ZERO) FROM SUCH TYPE OF THE FINANCIAL INSTRUMENT BY A FRACTION, THE NUMERATOR OF WHICH IS THE NUMERATOR OF THE APPORTIONMENT FRACTION FOR THE NET GAINS FROM THAT TYPE OF FINANCIAL INSTRUMENT DETERMINED UNDER THE APPLICABLE CLAUSE OF THIS SUBPARAGRAPH AND THE DENOMINATOR OF WHICH IS THE DENOMINATOR OF THE APPORTIONMENT FRACTION FOR THE NET GAINS FOR THAT TYPE OF FINANCIAL INSTRUMENT DETERMINED UNDER THE APPLICABLE CLAUSE OF THIS SUBPARAGRAPH. MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FROM FINANCIAL INSTRUMENTS FOR WHICH THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED UNDER THE IMMEDIATELY PRECEDING SENTENCE ARE INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION.

(III) IF THE TYPE OF FINANCIAL INSTRUMENT THAT IS MARKED TO MARKET IS 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 INSTRUMENT UNDER THE APPLICABLE CLAUSE OF THIS SUBPARAGRAPH, THE AMOUNT OF MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FROM THAT TYPE OF FINANCIAL INSTRUMENT INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED BY MULTIPLYING THE MARKED TO MARKET NET GAINS (BUT NOT LESS THAN ZERO) FROM THAT TYPE OF FINANCIAL INSTRUMENT BY A FRACTION, THE NUMERATOR OF WHICH IS THE SUM OF THE AMOUNT OF RECEIPTS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION UNDER CLAUSES (A), (B), (C), (D), (E), (F), (G), (H) AND (I) OF THIS SUBPARAGRAPH AND SUBCLAUSE (II) OF THIS CLAUSE, AND THE DENOMINATOR OF WHICH IS THE SUM OF THE AMOUNT OF RECEIPTS INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION UNDER CLAUSES (A), (B), (C), (D), (E), (F), (G), (H) AND (I) AND SUBCLAUSE (II) OF THIS CLAUSE. MARKED TO MARKET NET GAINS (NOT LESS THAN ZERO) FOR WHICH THE AMOUNT TO BE INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED UNDER THE IMMEDIATELY PRECEDING SENTENCE ARE INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION.

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

(e) For purposes of this subdivision, a taxpayer shall use the following hierarchy to determine the commercial domicile of a business entity, based on the information known to the taxpayer or information that would be known upon reasonable inquiry: (i) [the location of the treasury function of the business entity; (ii)] the seat of management and control of the business entity; and [(iii)] (II) the billing address of the business entity in the taxpayer's records. The taxpayer must exercise due diligence before rejecting [a] THE FIRST method in this hierarchy and proceeding to the next method.

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

6-A. RECEIPTS FROM THE OPERATION OF VESSELS. RECEIPTS FROM THE OPERATION OF VESSELS ARE INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION AS FOLLOWS. THE AMOUNT OF RECEIPTS FROM THE OPERATION OF VESSELS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FRACTION IS DETERMINED BY MULTIPLYING THE AMOUNT OF SUCH RECEIPTS BY A FRACTION, THE NUMERATOR OF WHICH IS THE AGGREGATE NUMBER OF WORKING DAYS OF THE VESSELS OWNED OR LEASED BY THE TAXPAYER IN TERRITORIAL WATERS OF THE STATE DURING THE

PERIOD COVERED BY THE TAXPAYER'S REPORT AND THE DENOMINATOR OF WHICH IS THE AGGREGATE NUMBER OF WORKING DAYS OF ALL VESSELS OWNED OR LEASED BY THE TAXPAYER DURING SUCH PERIOD. RECEIPTS FROM THE OPERATION OF VESSELS ARE INCLUDED IN THE DENOMINATOR OF THE APPORTIONMENT FRACTION.

S 29. The opening paragraph of clause (A) of subparagraph 1 of paragraph (b) of subdivision 7 of section 210-A of the tax law, as added by section 16 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

The portion of receipts of a taxpayer from aviation services (other than services described in paragraph (a) of this subdivision, BUT INCLUDING THE RECEIPTS OF A QUALIFIED AIR FREIGHT FORWARDER) to be included in the numerator of the apportionment fraction shall be determined by multiplying its receipts from such aviation services by a percentage which is equal to the arithmetic average of the following three percentages:

S 30. Paragraph (b) of subdivision 7 of section 210-A of the tax law is amended by adding a new subparagraph 3 to read as follows:

(3) A CORPORATION IS A QUALIFIED AIR FREIGHT FORWARDER WITH RESPECT TO ANOTHER CORPORATION:

(A) IF IT OWNS OR CONTROLS EITHER DIRECTLY OR INDIRECTLY ALL OF THE CAPITAL STOCK OF SUCH OTHER CORPORATION, OR IF ALL OF ITS CAPITAL STOCK IS OWNED OR CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY SUCH OTHER CORPORATION, OR IF ALL OF THE CAPITAL STOCK OF BOTH CORPORATIONS IS OWNED OR CONTROLLED EITHER DIRECTLY OR INDIRECTLY BY THE SAME INTERESTS,

(B) IF IT IS PRINCIPALLY ENGAGED IN THE BUSINESS OF AIR FREIGHT FORWARDING, AND

(C) IF ITS AIR FREIGHT FORWARDING BUSINESS IS CARRIED ON PRINCIPALLY WITH THE AIRLINE OR AIRLINES OPERATED BY SUCH OTHER CORPORATION.

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, is amended to read as follows:

(b) The amount of receipts from sales of advertising on television or 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 state and the denominator of which is the number of viewers or listeners within and without the state. The total of such receipts from sales of advertising on television and radio is included in the denominator of the apportionment fraction.

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 of chapter 59 of the laws of 2014, are amended to read as follows:

(i) A credit shall be allowed under this subdivision with respect to 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 code, have a useful life of four years or more, are acquired by purchase 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 the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, (B) industrial waste treatment facilities or air pollution control facilities, used in the taxpayer's trade or business, (C) research and development property, or (D) principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or

sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of stocks, bonds or other securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, or of commodities as defined in section four hundred seventy-five (e) of the Internal Revenue Code, (E) principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company as defined in section eight hundred fifty-one of the Internal Revenue Code, or lending, loan arrangement or loan origination services to customers in connection with the purchase or sale (which shall include but not be limited to the issuance, entering into, assumption, offset, assignment, termination, or transfer) of securities as defined in section four hundred seventy-five (c)(2) of the Internal Revenue Code, (F) [originally] PRINCIPALLY used in the ordinary course of the taxpayer's business as an exchange registered as a national securities exchange within the meaning of sections 3(a)(1) and 6(a) of the Securities Exchange Act of 1934 or a board of trade as defined in [section 1410(a)(1) of the New York Not-for-Profit Corporation Law] SUBPARAGRAPH ONE OF PARAGRAPH (A) OF SECTION FOURTEEN HUNDRED TEN OF THE NOT-FOR-PROFIT CORPORATION LAW or as an entity that is wholly owned by one or more such national securities exchanges or boards of trade and that provides automation or technical services thereto, or (G) principally used as a qualified film production facility including qualified film production facilities having a situs in an empire zone designated as such pursuant to article eighteen-B of the general municipal law, where the taxpayer is providing three or more services to any qualified film production company using the facility, including such services as a studio lighting grid, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning. FOR PURPOSES OF CLAUSES (D), (E) AND (F) OF THIS SUBPARAGRAPH, PROPERTY PURCHASED BY A TAXPAYER AFFILIATED WITH A REGULATED BROKER, DEALER, REGISTERED INVESTMENT ADVISOR, NATIONAL SECURITIES EXCHANGE OR BOARD OF TRADE, IS ALLOWED A CREDIT UNDER THIS SUBDIVISION IF THE PROPERTY IS USED BY ITS AFFILIATED REGULATED BROKER, DEALER, REGISTERED INVESTMENT ADVISOR, NATIONAL SECURITIES EXCHANGE OR BOARD OF TRADE IN ACCORDANCE WITH THIS SUBDIVISION. FOR PURPOSES OF DETERMINING IF THE PROPERTY IS PRINCIPALLY USED IN QUALIFYING USES, THE USES BY THE TAXPAYER DESCRIBED IN CLAUSES (D) AND (E) OF THIS SUBPARAGRAPH MAY BE AGGREGATED. IN ADDITION, THE USES BY THE TAXPAYER, ITS AFFILIATED REGULATED BROKER, DEALER AND REGISTERED INVESTMENT ADVISOR UNDER EITHER OR BOTH OF THOSE CLAUSES MAY BE AGGREGATED. Provided, however, a taxpayer shall not be allowed the credit provided by clauses (D), (E) and (F) of this subparagraph unless THE PROPERTY IS FIRST PLACED IN SERVICE BEFORE OCTOBER FIRST, TWO THOUSAND FIFTEEN AND (i) eighty percent or more of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such equipment 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 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 employees that perform these functions and are located in this state during the thirty-six months immediately preceding the year for which the credit 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

greater than ninety percent of the number of employees located in this state on December thirty-first, nineteen hundred ninety-eight or, if the taxpayer was not a calendar year taxpayer in nineteen hundred ninety-eight, the last day of its first taxable year ending after December thirty-first, nineteen hundred ninety-eight. If the taxpayer becomes subject to tax in this state after the taxable year beginning in nineteen hundred ninety-eight, then the taxpayer is not required to satisfy the employment test provided in the preceding sentence of this subparagraph for its first taxable year. For purposes of clause (iii) of this subparagraph the employment test will be based on the number of employees 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 must be aggregated to determine whether the property is principally used in qualifying uses, then either each affiliate using the property must satisfy this employment test or this employment test must be satisfied through the aggregation of the employees of the taxpayer, its affiliated regulated broker, dealer, and registered investment adviser using the property. For purposes of this subdivision, the term "goods" shall not include electricity.

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

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

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

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

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

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 amount prescribed in CLAUSE (II) OF SUBPARAGRAPH ONE OF paragraph (b) of 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 identical to the tax base prescribed in such paragraph (b). If the tax imposed on a taxpayer by subdivision one of section two hundred nine of this article is the HIGHEST amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article APPLICABLE TO THE TAXPAYER, 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 identical to the tax base prescribed in such paragraph (d).

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

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 in paragraph (a) of subdivision one of section two hundred ten of this article; (ii) the combined capital base multiplied by the tax rate specified in paragraph (b) of subdivision one of section two hundred ten of this article, but not exceeding the limitation provided for in that paragraph (b); or (iii) the fixed dollar minimum that is attributable to the designated agent of the combined group. In addition, the tax on a combined report shall include the fixed dollar minimum tax specified in paragraph (d) of subdivision one of section two hundred ten of this article for each member of the combined group, other than the designated agent, that is a taxpayer.

(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.

(i) A net operating loss deduction is allowed in computing the 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 capital base or the fixed dollar minimum amount that is attributable to the designated agent of the combined group. A combined net operating loss deduction is equal to the amount of combined net operating loss or losses from one or more taxable years that are carried forward OR CARRIED BACK to a particular [income] TAXABLE year. A combined net operating loss is the combined business loss incurred in a particular taxable year multiplied by the combined apportionment factor for that year determined as provided in subdivision five of this section.

(ii) The combined net operating loss deduction and combined net operating loss are also subject to the provisions contained in clauses one

through [six] SEVEN of subparagraph (ix) of paragraph (a) of subdivision one of section two hundred ten of this article.

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

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

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

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

S 33-a. Paragraph (b) of subdivision 3 of section 210-C of the tax law, as added by section 18 of part A of chapter 59 of the laws of 2014, 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.

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

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

S 35. Clause (ii) of subparagraph (B) of paragraph 2 of subdivision (d) of section 40 of the tax law, as added by section 4 of part A of 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 "partner's income from the partnership" means partnership items of income, gain, loss and deduction, and New York modifications thereto, entering into [entire net] BUSINESS income [or minimum taxable income] and the term "partner's entire income" means [entire net] BUSINESS income [or minimum taxable income], allocated within the state. For purposes of article twenty-two of this chapter, the term "partner's income from the partnership" means partnership items of income, gain, loss and deduction, and New York modifications thereto, entering into New York adjusted gross income, and the term "partner's entire income" means New York adjusted gross income.

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

(C) (I) Where the taxpayer is a shareholder of a New York S corporation that is a business located in a tax-free NY area, the shareholder'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 S corporation. Such attribution shall be made in accordance with the ratio of the shareholder's income from the S corporation allocated within the state, entering into New York adjusted gross income, to the shareholder's New York adjusted gross income, or in accordance with such other methods as the commissioner may prescribe as providing an apportionment that reasonably reflects the portion of the shareholder's tax attributable to the income of such business. The income of the S corporation allocated within the state shall be determined by multiplying the income of the S corporation by [the] A business allocation factor [computed under paragraph (a) of subdivision three of section two hundred ten of this article without regard to subparagraph ten of such paragraph (a)] THAT SHALL BE DETERMINED IN CLAUSE (II) OF THIS SUBPARAGRAPH. In no event may the ratio so determined exceed 1.0.

(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.

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

(II) THE WAGE FACTOR SHALL BE DETERMINED BY ASCERTAINING THE PERCENTAGE THAT THE TOTAL WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPENSATION, SIMILARLY COMPUTED, DURING SUCH PERIOD OF EMPLOYEES, EXCEPT GENERAL EXECUTIVE OFFICERS, EMPLOYED AT THE BUSINESS'S LOCATION OR LOCATIONS WITHIN THE STATE, BEARS TO THE TOTAL WAGES, SALARIES AND OTHER PERSONAL SERVICE COMPENSATION, SIMILARLY COMPUTED, DURING SUCH PERIOD, OF ALL THE BUSINESS'S EMPLOYEES WITHIN AND WITHOUT THE STATE, EXCEPT GENERAL EXECUTIVE OFFICERS.

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

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

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

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

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

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

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

41. The tax-free NY area tax elimination credit. A taxpayer shall be allowed a credit to be computed as provided in section forty of this chapter, against the tax imposed by this article. 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 article. However, IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, any amount of credit not deductible 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. Provided, however, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be paid thereon.

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

44. The tax-free NY area excise tax on telecommunication services 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 the economic development law shall be allowed a credit equal to the excise tax on telecommunication services imposed by section one hundred eighty-six-e of this chapter and passed through to such business during the taxable year to the extent not otherwise deducted in computing

entire net income under this article. However, EXCEPT AS OTHERWISE PROVIDED FOR IN THIS SUBDIVISION, IF THE AMOUNT OF THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, any amount of credit not deductible 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 interest shall be paid thereon.

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

(b) Application of credit. 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 [this] section TWO HUNDRED TEN OF THIS ARTICLE. Provided, however, that if the amount of the credit allowable under this subdivision for any taxable year reduces the tax to such amount OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, the excess 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. Provided, further, the provisions of subsection (c) of section one thousand eighty-eight of this chapter notwithstanding, no interest shall be 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:

(b) Carryover. 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 [this] section TWO HUNDRED TEN OF THIS ARTICLE. However, if the amount of credit allowable under this subdivision for any taxable year reduces the tax to such amount OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR 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 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.

PART U

Section 1. Paragraph 33 of subdivision (a) of section 1115 of the tax law, as added by section 99 of part A of chapter 389 of the laws of 1997, is amended to read as follows:

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

S 2. Section 1118 of the tax law is amended by adding a new subdivision (13) to read as follows:

(13) IN RESPECT TO THE USE OF THE FOLLOWING ITEMS AT A TASTING HELD BY A LICENSED BREWERY, FARM BREWERY, CIDER PRODUCER, FARM CIDERY, DISTILLERY OR FARM DISTILLERY IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGE CONTROL LAW: (I) THE ALCOHOLIC BEVERAGE OR BEVERAGES AUTHORIZED BY THE ALCOHOLIC BEVERAGE CONTROL LAW TO BE FURNISHED AT NO CHARGE TO A CUSTOMER OR PROSPECTIVE CUSTOMER AT SUCH TASTING FOR CONSUMPTION AT SUCH TASTING; AND (II) BOTTLES, CORKS, CAPS AND LABELS USED TO PACKAGE SUCH ALCOHOLIC BEVERAGES.

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

PART V

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

(22) (A) "Prepaid telephone calling service" means the right to exclusively purchase telecommunication services, that must be paid for in advance and enable the origination of one or more intrastate, interstate or international telephone calls using an access number (such as a toll free network access number) and/or authorization code, whether manually or electronically dialed, for which payment to a vendor must be made in advance, whether or not that right is represented by the transfer by the 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 CALLING SERVICE. In no event shall a credit card constitute a prepaid telephone calling service. If the sale or recharge of a prepaid telephone calling service does not take place at the vendor's place of business, it shall be conclusively determined to take place at the purchaser's shipping address or, if there is no item shipped, at the purchaser's billing address or the location associated with the purchaser's mobile telephone number, OR, IF THE VENDOR DOES NOT HAVE THE ADDRESS OR THE LOCATION ASSOCIATED WITH THE CUSTOMER'S MOBILE TELEPHONE NUMBER, AT SUCH ADDRESS, AS APPROVED BY THE COMMISSIONER, THAT REASONABLY REFLECTS THE CUSTOMER'S LOCATION AT THE TIME OF THE SALE OR RECHARGE.

(B) "PREPAID MOBILE CALLING SERVICE" MEANS THE RIGHT TO USE A COMMERCIAL MOBILE RADIO SERVICE, WHETHER OR NOT SOLD WITH OTHER PROPERTY OR SERVICES, THAT MUST BE PAID FOR IN ADVANCE AND IS SOLD FOR USE OVER A 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-

ENTED BY OR INCLUDES THE TRANSFER TO THE PURCHASER OF AN ITEM OF TANGIBLE PERSONAL PROPERTY.

S 2. This act shall take effect immediately.

PART W

Intentionally Omitted

PART X

Intentionally Omitted

PART Y

Intentionally Omitted

PART Z

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 subdivision, "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 EQUIPMENT 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 chapter 13 of the laws of 2013, is amended to read as follows:

(ii) 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, commercial solar energy systems equipment and [of] the service of installing such systems [shall be exempt from taxes imposed by sections eleven hundred five and eleven hundred ten of this article]. For the purposes of this subdivision, "commercial solar energy systems equipment" shall mean an arrangement or combination of components installed upon non-residential premises that utilize 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.

(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 THE ELECTRICITY IS GENERATED BY COMMERCIAL SOLAR ENERGY SYSTEM EQUIPMENT THAT IS: (A) OWNED BY A PERSON OTHER THAN THE PURCHASER OF SUCH ELECTRICITY; (B) INSTALLED ON THE NON-RESIDENTIAL PREMISES OF THE PURCHASER OF SUCH ELECTRICITY; AND (C) USED TO PROVIDE HEATING, COOLING, HOT WATER OR ELECTRICITY TO SUCH PREMISES.

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

(1) Either, all of the taxes described in article twenty-eight of this chapter, at the same uniform rate, as to which taxes all provisions of the local laws, ordinances or resolutions imposing such taxes shall be identical, except as to rate and except as otherwise provided, with the corresponding provisions in such article twenty-eight, including the definition and exemption provisions of such article, so far as the 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 authorized under this subdivision may not be imposed by a city or county unless the local law, ordinance or resolution imposes such taxes so as to include all portions and all types of receipts, charges or rents, subject to state tax under sections eleven hundred five and eleven hundred ten of this chapter, except as otherwise provided. (i) Any local law, ordinance or resolution enacted by any city of less than one million or by any county or school district, imposing the taxes authorized by this subdivision, shall, notwithstanding any provision of law to the contrary, exclude from the operation of such local taxes all sales of tangible personal property for use or consumption directly and predominantly in the production of tangible personal property, gas, electricity, refrigeration or steam, for sale, by manufacturing, processing, generating, assembly, refining, mining or extracting; and all sales of tangible personal property for use or consumption predominantly either in the production of tangible personal property, for sale, by farming or in a commercial horse boarding operation, or in both; and, unless such city, county or school district elects otherwise, shall omit the provision for credit or refund contained in clause six of subdivision (a) or subdivision (d) of section eleven hundred nineteen of this chapter. (ii) Any local law, ordinance or resolution enacted by any city, county or school district, imposing the taxes authorized by this subdivision, shall omit the residential solar energy systems equipment AND ELECTRICITY exemption provided for in subdivision (ee), the commercial solar energy systems equipment AND ELECTRICITY exemption provided for in subdivision (ii) and the clothing and footwear exemption provided for in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, unless such city, county or school district elects otherwise as to either such residential solar energy systems equipment AND ELECTRICITY exemption, such commercial solar energy systems equipment AND ELECTRICITY exemption or such clothing and footwear exemption.

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

eleven hundred five of this chapter for receipts from laundering, dry-cleaning, tailoring, weaving, pressing, shoe repairing and shoe shining; (ii) may impose the tax described in paragraph six of subdivision (c) of section eleven hundred five of this chapter at a rate in addition to the rate prescribed by this section not to exceed two percent in multiples of one-half of one percent; (iii) shall provide that the tax described in paragraph six of subdivision (c) of section eleven hundred five of this chapter does not apply to facilities owned and operated by the city or an agency or instrumentality of the city or a public corporation the majority of whose members are appointed by the chief executive officer 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 described in paragraph seven of subdivision (c) of section eleven hundred five of this chapter; (v) shall provide that, for purposes of the tax described in subdivision (e) of section eleven hundred five of this chapter, "permanent resident" means any occupant of any room or rooms in a hotel for at least one hundred eighty consecutive days with regard to the period of such occupancy; (vi) may omit the exception provided in paragraph one of subdivision (f) of section eleven hundred five of this chapter for charges to a patron for admission to, or use of, facilities for sporting activities in which the patron is to be a participant, such as bowling alleys and swimming pools; (vii) may provide the clothing and footwear exemption in paragraph thirty of subdivision (a) of section eleven hundred fifteen of this chapter, and, notwithstanding any provision of subdivision (d) of this section to the contrary, any local law providing for such exemption or repealing such exemption, may go into effect on any one of the following dates: March first, June first, September first or December first; (viii) shall omit the exemption provided in paragraph forty-one of subdivision (a) of section eleven hundred fifteen of this chapter; (ix) shall omit the exemption provided in subdivision (c) of section eleven hundred fifteen of this chapter insofar as it applies to fuel, gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of whatever nature for use or consumption directly and exclusively in the production of gas, electricity, refrigeration or steam; (x) shall omit, unless such city elects otherwise, the provision for refund or credit contained in clause six of subdivision (a) or in subdivision (d) of section eleven hundred nineteen of this chapter; [and] (xi) shall provide that section eleven hundred five-C of this chapter does not 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, including the transportation, transmission or distribution of gas or electricity, even if sold separately, at the rate set forth in clause one of subparagraph (i) of the opening paragraph of this section; (XII) SHALL OMIT, UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR RESIDENTIAL SOLAR ENERGY SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED IN SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER; AND (XIII) SHALL OMIT, UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR COMMERCIAL SOLAR ENERGY SYSTEMS EQUIPMENT AND ELECTRICITY PROVIDED IN SUBDIVISION (II) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER. ANY REFERENCE IN THIS CHAPTER OR IN ANY LOCAL LAW, ORDINANCE OR RESOLUTION ENACTED PURSUANT TO THE AUTHORITY OF THIS ARTICLE TO FORMER SUBDIVISIONS (N) OR (P) OF THIS SECTION SHALL BE DEEMED TO BE A REFERENCE TO CLAUSES (XII) OR (XIII) OF THIS PARAGRAPH, RESPECTIVELY, AND ANY SUCH LOCAL LAW, ORDINANCE OR RESOLUTION THAT PROVIDES THE EXEMPTIONS PROVIDED IN SUCH FORMER SUBDIVISIONS (N) AND/OR (P) SHALL BE DEEMED INSTEAD TO PROVIDE

THE EXEMPTIONS PROVIDED IN CLAUSES (XII) AND/OR (XIII) OF THIS PARAGRAPH.

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

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

(i) Notwithstanding any other provision of law to the contrary but not with respect to cities subject to the provisions of section eleven hundred eight of this chapter, any city or county, except a county wholly contained within a city, may provide that the tax imposed, pursuant 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 hundred pounds), natural gas, electricity, steam and gas, electric and steam services of whatever nature used for residential purposes and on 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 the opening paragraph of this section, as long as such rate is one of the rates authorized by such paragraph or such sale or use may be exempted from such taxes. Provided, however, such lower rate must apply to all such energy sources and services and at the same rate and no such exemption, OTHER THAN THE EXEMPTION PROVIDED FOR IN SUBDIVISION (EE) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, IF SUCH EXEMPTION IS ELECTED BY SUCH CITY OR COUNTY, may be enacted unless such exemption applies to all such energy sources and services.

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

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

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

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

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

(a) Any school district which is coterminous with, partly within or wholly within a city having a population of less than one hundred twenty-five thousand, is hereby authorized and empowered, by majority vote of the whole number of its school authorities, to impose for school district purposes, within the territorial limits of such school district and without discrimination between residents and nonresidents thereof, the taxes described in subdivision (b) of section eleven hundred five (but excluding the tax on prepaid telephone calling services) and the taxes described in clauses (E) and (H) of subdivision (a) of section eleven hundred ten, including the transitional provisions in subdivision (b) of section eleven hundred six of this chapter, so far as such provisions can be made applicable to the taxes imposed by such school 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, one, one and one-half, two, two and one-half or three percent which rate 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 the resolution imposing them, except as to rate and except as otherwise provided herein, shall be identical with the corresponding provisions in such article twenty-eight of this chapter, including the applicable definition and exemption provisions of such article, so far as the provisions of such article twenty-eight of this chapter can be made applicable to the taxes imposed by such school district and with such limitations and special provisions as are set forth in this article. The

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

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

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

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

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

PART AA

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

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

S 2. This act shall take effect immediately.

PART BB

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 read as follows:

(b) Computation of tax. The tax imposed by this section shall be 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 April 1, 2015]

If the New York taxable estate is:	The tax is:
Not over $500,000	3.06% of taxable estate
Over $500,000 but not over $1,000,000	$15,300 plus 5.0% of excess over $500,000
Over $1,000,000 but not over $1,500,000	$40,300 plus 5.5% of excess over $1,000,000
Over $1,500,000 but not over $2,100,000	$67,800 plus 6.5% of excess over $1,500,000
Over $2,100,000 but not over $2,600,000	$106,800 plus 8.0% of excess over $2,100,000
Over $2,600,000 but not over $3,100,000	$146,800 plus 8.8% of excess over $2,600,000
Over $3,100,000 but not over $3,600,000	$190,800 plus 9.6% of excess over $3,100,000
Over $3,600,000 but not over $4,100,000	$238,800 plus 10.4% of excess over $3,600,000
Over $4,100,000 but not over $5,100,000	$290,800 plus 11.2% of excess over $4,100,000
Over $5,100,000 but not over $6,100,000	$402,800 plus 12.0% of excess over $5,100,000
Over $6,100,000 but not over $7,100,000	$522,800 plus 12.8% of excess over $6,100,000
Over $7,100,000 but not over $8,100,000	$650,800 plus 13.6% of excess over $7,100,000
Over $8,100,000 but not over $9,100,000	$786,800 plus 14.4% of excess over $8,100,000
Over $9,100,000 but not over	$930,800 plus 15.2% of excess over

$10,100,000	$9,100,000
Over $10,100,000	$1,082,800 plus 16.0% of excess over $10,100,000

S 2. Paragraph 3 of subsection (a) of section 954 of the tax law, as added by section 3 of part X of chapter 59 of the laws of 2014, is amended to read as follows:

(3) Increased by the amount of any taxable gift under section 2503 of the internal revenue code not otherwise included in the decedent's federal gross estate, made during the three year period ending on the 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) before April first, two thousand fourteen[; or (3)]; OR (C) THAT IS REAL OR TANGIBLE PERSONAL PROPERTY HAVING AN ACTUAL SITUS OUTSIDE NEW YORK STATE AT THE TIME THE GIFT WAS MADE. PROVIDED, HOWEVER THAT THIS PARAGRAPH SHALL NOT APPLY TO THE ESTATE OF A DECENDENT DYING on or after January first, two thousand nineteen.

S 3. Subsection (b) of section 960 of the tax law, as amended by section 5 of part X of chapter 59 of the laws of 2014, is amended to read as follows:

(b) Computation of tax.--The tax imposed under subsection (a) shall be the same as the tax that would be due, if the decedent had died a resident, under subsection (a) of section nine hundred fifty-two, except that for purposes of computing the tax under subsection (b) of section nine hundred fifty-two, "New York taxable estate" shall not include the value of, OR ANY DEDUCTION ALLOWABLE UNDER THE INTERNAL REVENUE CODE RELATED TO, any intangible personal property otherwise includible in the deceased individual's New York gross estate, and shall not include the amount of any gift unless such gift consists of real or tangible personal property having an actual situs in New York state or intangible personal property employed in a business, trade or profession carried on in this state.

S 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2014.

PART CC

Intentionally Omitted

PART DD

Section 1. Section 2 of 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, is amended to read as follows:

S 2. This act shall take effect immediately and shall expire and be deemed repealed on and after April 1, [2015] 2017.

S 2. This act shall take effect immediately.

PART EE

Intentionally Omitted

PART FF

Intentionally Omitted

PART GG

Intentionally Omitted

PART HH

Intentionally Omitted

PART II

Intentionally Omitted

PART JJ

Intentionally Omitted

PART KK

Intentionally Omitted

PART LL

Intentionally Omitted

PART MM

Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision 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:

(H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of 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 revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which shall be used exclusively for capital project investments to improve the facilities of the vendor track which promote or encourage increased attendance at the video lottery gaming facility including, but not limited to hotels, other lodging facilities, entertainment facilities, retail facilities, dining facilities, events arenas, parking garages and other improvements that enhance facility amenities; provided that such capital investments shall be approved by the division, in consultation with the state racing and wagering board, and that such vendor track demonstrates that such capital expenditures will increase patronage at such vendor track's facilities and increase the amount of revenue generated to support state education programs. The annual amount of such vendor's capital awards that a vendor track shall be eligible to receive shall be limited to two million five hundred thousand dollars, except for Aqueduct racetrack, for which there shall

be no vendor's capital awards. Except for tracks having less than one thousand one hundred video gaming machines, and except for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania 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, 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 April first, two thousand [fifteen] SIXTEEN. Any amount attributable to a capital expenditure approved prior to April first, two thousand [fifteen] SIXTEEN and completed before April first, two thousand [seventeen] EIGHTEEN; or approved prior to April first, two thousand [nineteen] TWENTY and completed before April first, two thousand [twenty-one] TWENTY-TWO for a vendor track located west of State Route 14 from Sodus 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 capital expenditures, approved by the division prior to April first, two thousand [fifteen] SIXTEEN and completed prior to April first, two thousand [seventeen] EIGHTEEN, exceed the vendor track's cumulative capital award during the five year period ending April first, two thousand [fifteen] SIXTEEN, the vendor shall continue to receive the capital award after April first, two thousand [fifteen] SIXTEEN until such approved capital expenditures are paid to the vendor track subject to any required co-investment. In no event shall any vendor track that receives a vendor fee pursuant to clause (F) or (G) of this subparagraph 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 applied, prior to the full depreciation of the capital improvement in accordance with generally accepted accounting principles, shall reimburse the state in amounts equal to the total of any such awards. Any capital award not approved for a capital expenditure at a video lottery gaming facility by April first, two thousand [fifteen] SIXTEEN shall be deposited into the state lottery fund for education aid; and

S 2. This act shall take effect immediately.

PART NN

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

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under 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 conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simulcast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year

payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting 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 shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For 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, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [fifteen] SIXTEEN; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [fifteen] SIXTEEN; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without 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 read as follows:

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

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

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [fifteen] SIXTEEN and on any day regardless of whether or not a franchised corporation is conducting a race meeting in 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 corporation located within the state is conducting racing, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that have entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

S 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part AA of chapter 59 of 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:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [fifteen] SIXTEEN. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) 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 one thousand seven of this article:

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

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

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

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

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

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:

S 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding 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-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

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

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of 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 franchised corporation of between twelve to seventeen per centum of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one per centum of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five per centum of the 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

on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the gaming commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For 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 odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five 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 retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per 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 the period June first, nineteen hundred ninety-five through September 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-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [fifteen] SIXTEEN, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-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 first, two thousand one through December thirty-first, two thousand [fifteen] SIXTEEN, such payment shall be seven-tenths of one per centum of such pools.

S 10. This act shall take effect immediately.

PART OO

Section 1. Section 1602 of the tax law is amended by adding a new 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

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 MEANING 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.

PART PP

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 prospective not-for-profit governing structure of The New York Racing Association, Inc.

S 2. This act shall take effect immediately.

PART QQ

Intentionally Omitted

PART RR

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 vehicle 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 property:

(a) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID FROM THE PROCEEDS OF GRANTS.

(B) TO QUALIFY FOR THE CREDIT, THE PROPERTY MUST:

(I) BE located in this state;

[(b) which constitutes] (II) CONSTITUTE alternative fuel vehicle refueling 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.

S 2. Paragraph (b) of subdivision 30 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(b) (I) Alternative fuel vehicle refueling property and electric vehicle recharging property. The credit under this subdivision for alternative fuel vehicle refueling property 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 property:

(i) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID FROM THE PROCEEDS OF GRANTS.

(II) TO QUALIFY FOR THE CREDIT, THE PROPERTY MUST:

(A) BE located in this state;

[(ii) which constitutes] (B) MUST CONSTITUTE alternative fuel vehicle refueling property or electric vehicle recharging property; and

[(iii) for which none of the cost has been] (C) 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.

S 3. Paragraph 2 of subsection (p) of section 606 of the tax law, as amended by section 3 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 vehicle recharging property. The credit under this subsection for alternative fuel vehicle refueling property or 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 property

(A) which is] AND THE COST OF ANY SUCH PROPERTY LESS ANY COSTS PAID FROM THE PROCEEDS OF GRANTS.

(B) TO QUALIFY FOR THE CREDIT, THE PROPERTY MUST:

(I) BE located in this state;

[(B) which constitutes] (II) CONSTITUTE alternative fuel vehicle refueling 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.

S 4. This act shall take effect immediately, and shall apply to taxable years beginning on or after January 1, 2015.

PART SS

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

(JJ) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE: (1) RECEIPTS IN EXCESS OF TWO HUNDRED THIRTY THOUSAND DOLLARS FROM EVERY SALE OF, AND CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, A VESSEL SHALL BE EXEMPT FROM THE TAXES IMPOSED BY THIS ARTICLE. FOR PURPOSES OF THIS SUBDIVISION, "VESSEL" SHALL HAVE THE SAME MEANING AS SUCH TERM IS DEFINED IN SECTION TWENTY-TWO HUNDRED FIFTY OF THE VEHICLE AND TRAFFIC LAW AND ANY OUTBOARD MOTOR OR TRAILER, AS DEFINED IN SECTION ONE HUNDRED FIFTY-SIX OF SUCH LAW, WHEN SOLD IN CONJUNCTION WITH SUCH VESSEL.

(2) FOR PURPOSES OF SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ELEVEN 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 NEW YORK STATE OUTSIDE OF THIS STATE FOR USE OUTSIDE OF THIS STATE THAT SUBSEQUENTLY BECOMES SUBJECT TO THE COMPENSATING USE TAX IMPOSED UNDER THIS ARTICLE SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOUSAND DOLLARS.

(3) FOR PURPOSES OF SUBDIVISION (I) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS ARTICLE, RECEIPTS FROM, OR CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, THE LEASE OF A VESSEL THAT IS SUBJECT TO SUCH SUBDIVISION (I) IN EXCESS OF TWO HUNDRED THIRTY THOUSAND DOLLARS SHALL BE EXEMPT FROM THE CALCULATION OF TAX DUE UNDER SUCH SUBDIVISION (I).

(4) FOR PURPOSES OF PARAGRAPH ONE OF SUBDIVISION (Q) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS ARTICLE, THE LIMITATIONS ON EXCLUSIONS FROM THE DEFINITION OF RETAIL SALE IN PARAGRAPH ONE OF SUCH SUBDIVISION SHALL 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.

(5) FOR PURPOSES OF PARAGRAPH TWO OF SUBDIVISION (Q) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS ARTICLE, THE PURCHASE PRICE OR MARKET VALUE, AS THE CASE MAY BE, OF A VESSEL SUBJECT TO TAX UNDER PARAGRAPH TWO OF SUCH SUBDIVISION (Q) SHALL BE DEEMED NOT TO EXCEED TWO HUNDRED THIRTY THOUSAND DOLLARS.

(6) FOR PURPOSES OF SUBDIVISION TWO OF SECTION ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE, THE LIMITATION ON THE EXCLUSION FROM COMPENSATING USE TAX IN SUCH SUBDIVISION TWO WITH RESPECT TO QUALIFIED PROPERTY, AS DEFINED IN SUCH SUBDIVISION, SHALL APPLY ONLY TO THE FIRST TWO HUNDRED THIRTY THOUSAND DOLLARS OF CONSIDERATION GIVEN OR CONTRACTED TO BE GIVEN FOR, OR FOR THE USE OF, A VESSEL.

(7) FOR PURPOSES OF PARAGRAPH (A) OF SUBDIVISION SEVEN OF SECTION ELEVEN HUNDRED EIGHTEEN OF THIS ARTICLE, THE REFUND OR CREDIT ALLOWABLE UNDER PARAGRAPH (A) OF SUCH SUBDIVISION SEVEN SHALL BE COMPUTED ONLY WITH REGARD TO TAX LEGALLY DUE AND PAID TO ANOTHER STATE ON THE FIRST TWO HUNDRED THIRTY THOUSAND DOLLARS OF THE PURCHASE PRICE.

(8) EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS SUBDIVISION SHALL NOT BE DEEMED TO LIMIT ANY OTHER EXEMPTION, EXCLUSION OR CREDIT IN THIS ARTICLE RELATING TO A VESSEL.

S 2. Section 1118 of the tax law is amended by adding new subdivision 13 to read as follows:

(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 THE FIRST OF THE FOLLOWING EVENTS OCCUR:

(A) THE USE OF SUCH VESSEL WITHIN THIS STATE BY THE PURCHASER THEREOF FOR A PERIOD IN EXCESS OF NINETY CONSECUTIVE DAYS;

(B) THE DATE UPON WHICH SUCH VESSEL IS FIRST REQUIRED TO BE REGISTERED PURSUANT TO SECTION TWENTY-TWO HUNDRED FIFTY-ONE OF THE VEHICLE AND TRAFFIC LAW; OR

(C) THE DATE UPON WHICH SUCH VESSEL IS SO REGISTERED.

S 3. This act shall take effect June 1, 2015 and shall apply in accordance with the applicable transitional provisions in sections 1106 and 1217 of the tax law.

PART TT

Section 1. Paragraph (A) of subdivision (i) of section 1111 of the tax law, as amended by chapter 20 of the laws of 1992, is amended to read as follows:

(A) Notwithstanding any contrary provisions of this article or other law, with respect to any lease for a term of one year or more of (1) a motor vehicle, as defined in section one hundred twenty-five of the 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 any trailer, as defined in section one hundred fifty-six of such law, leased in conjunction with such a vessel) [and (3) noncommercial aircraft having a seating capacity of less than twenty passengers and a maximum payload capacity of less than six thousand pounds], or an option 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 similar provision, or combination of them, shall be deemed to have been paid or given and shall be subject to tax, and any such tax due shall be 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 registration of such property with the commissioner of motor vehicles, whichever is earlier. Notwithstanding any inconsistent provisions of subdivision (b) of this section or of section eleven hundred seventeen of this article or of other law, for purposes of such a lease, option to renew or similar provision originally entered into outside this state, by a lessee (1) who was a resident of this state, and leased such property for use outside the state and who subsequently brings such property 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 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 as if the lessee had entered into or exercised such lease, option to renew or similar provision, or combination thereof, for the first time in this state and the relevant provisions of sections eleven hundred ten concerning imposition and computation of tax, eleven hundred eighteen 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 refunds, of this article, shall be applicable to any sales or compensating use tax paid by the lessee before the lessee brought the property into this state, except to the extent that any such provision is inconsistent with a provision of this subdivision. For purposes of this subdivision, (1) a lease for a term of one year or more shall include any lease for a shorter term which includes an option to renew or other like provision (or more than one of such option or other provision) where the cumulative period that the lease, with or without such option 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 excess mileage charges shall be subject to tax as and when paid or due.

S 2. Subdivision (q) of section 1111 of the tax law, as added by section 3 of subpart B of part S of chapter 57 of the laws of 2010, is amended to read as follows:

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

iated persons with respect to each other. For purposes of this subdivision, corporations are affiliated persons with respect to each other where (i) more than five percent of their combined shares are owned by 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 ownership interest of more than five percent, whether direct or indirect, in 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 of more than five percent, whether direct or indirect, in each of the corporations.

(2) Notwithstanding any contrary provision of law, in relation to any transfer, distribution, or contribution of [an aircraft or] A vessel that qualifies as a retail sale as a result of paragraph one of this subdivision, the sales tax imposed by subdivision (a) of section eleven hundred five of this part shall be computed based on the price at which the seller purchased the tangible personal property, provided that where the seller or purchaser affirmatively shows that the seller owned the property for six months prior to making the transfer, distribution or contribution covered by paragraph one of this subdivision, such [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, distribution, or contribution. For the purposes of the prior sentence, "current market value" shall not exceed the cost of the [aircraft or] vessel. See subdivision (b) of this section for a similar rule on the computation of 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 of this subdivision will be entitled to a refund or credit against the 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 sales or use tax paid to this state or any other state on the seller's purchase or use of the [aircraft or] vessel so transferred, distributed or contributed, but not to exceed the tax due on the transfer, distribution, or contribution of the [aircraft or] vessel or on the purchaser's use in the state of the [aircraft or] vessel so transferred, distributed or contributed. An application for a refund or credit under this subdivision must be filed and shall be in such form as the commissioner may prescribe. Where an application for credit has been filed, the applicant may immediately take such credit on the return which is due coincident with or immediately subsequent to the time the application for credit is filed. However, the taking of the credit on the return shall be deemed to be part of the application for credit. Provided that the commissioner may, in his or her discretion and notwithstanding any other law, 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 tax due from the purchaser. The provisions of subdivisions (a), (b), and (c) of section eleven hundred thirty-nine of this article shall apply to applications for refund or credit under this subdivision. No interest shall be allowed or paid on any refund made or credit allowed under this subdivision. If a refund is granted or a credit allowed under this paragraph, the seller or purchaser shall not be eligible for a refund or credit pursuant to subdivision seven of section eleven hundred eighteen of this article with regard to the same purchase or use.

S 3. Subdivision (a) of section 1115 of the tax law is amended by adding a new paragraph 21-a to read as follows:

(21-A) GENERAL AVIATION AIRCRAFT, AND MACHINERY OR EQUIPMENT TO BE INSTALLED ON SUCH AIRCRAFT. FOR PURPOSES OF THIS SUBDIVISION, "GENERAL AVIATION AIRCRAFT" MEANS AN AIRCRAFT THAT IS USED IN CIVIL AVIATION, THAT IS NOT A COMMERCIAL AIRCRAFT AS DEFINED IN PARAGRAPH SEVENTEEN OF SUBDIVISION (B) OF SECTION ELEVEN HUNDRED ONE OF THIS ARTICLE, MILITARY AIRCRAFT, UNMANNED AERIAL VEHICLE OR DRONE.

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

PART UU

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

(JJ) TANGIBLE PERSONAL PROPERTY OR SERVICES OTHERWISE TAXABLE UNDER THIS ARTICLE SOLD TO A RELATED PERSON SHALL NOT BE SUBJECT TO THE TAXES IMPOSED BY SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE OR THE COMPENSATING USE TAX IMPOSED UNDER SECTION ELEVEN HUNDRED TEN OF THIS ARTICLE WHERE THE PURCHASER CAN SHOW THAT THE FOLLOWING CONDITIONS HAVE BEEN MET TO THE EXTENT THEY ARE APPLICABLE: (1)(I) THE VENDOR AND THE PURCHASER 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 THE CODE OF FEDERAL REGULATIONS IN A RESOLUTION PLAN THAT HAS BEEN SUBMITTED TO AN AGENCY OF THE UNITED STATES FOR THE PURPOSE OF SATISFYING SUBPARAGRAPH 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 SUCCESSOR LAW, OR (II) THE VENDOR AND THE PURCHASER ARE SEPARATE LEGAL ENTITIES PURSUANT TO A DIVESTITURE DIRECTED PURSUANT TO SUBPARAGRAPH 5 OF PARAGRAPH (D) OF SECTION ONE HUNDRED SIXTY-FIVE OF SUCH ACT OR ANY SUCCESSOR LAW; (2) THE SALE WOULD NOT HAVE OCCURRED BETWEEN SUCH RELATED ENTITIES WERE IT NOT FOR SUCH RESOLUTION PLAN OR DIVESTITURE; AND (3) IN ACQUIRING SUCH PROPERTY OR SERVICES, THE VENDOR DID NOT CLAIM AN EXEMPTION FROM THE TAX IMPOSED BY THIS STATE OR ANOTHER STATE BASED ON THE VENDOR'S INTENT TO RESELL SUCH SERVICES OR PROPERTY. A PERSON IS RELATED TO ANOTHER PERSON FOR PURPOSES OF THIS SUBDIVISION IF THE PERSON BEARS A RELATIONSHIP TO SUCH PERSON DESCRIBED IN SECTION TWO HUNDRED SIXTY-SEVEN OF THE INTERNAL REVENUE CODE. THE EXEMPTION PROVIDED BY THIS 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 BINDING CONTRACTS ENTERED INTO ON OR BEFORE SUCH DATE; BUT IN NO CASE SHALL SUCH EXEMPTION APPLY AFTER JUNE THIRTIETH, TWO THOUSAND 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.

PART VV

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

In order to pay the costs of the insurance required by this section 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 fourteen-a of the workers' compensation law, the New York Jockey Injury Compensation Fund, Inc. shall ascertain the total funding necessary and 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 this article, to obtain the total funding amount required annually. In order to provide that any sum required to be paid by an owner or trainer is equitable, the fund shall establish payment schedules which reflect such factors as are appropriate, including where applicable, the geographic location of the racing corporation at which the owner or 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 interests of racing. In no event shall the amount deducted from an owner's share of purses exceed [one] TWO per centum. THE AMOUNT DEDUCTED FROM AN OWNER'S SHARE OF PURSES SHALL NOT EXCEED ONE PER CENTUM AFTER APRIL FIRST, TWO THOUSAND SEVENTEEN. In the cases of multiple ownerships and limited racing appearances, the fund shall equitably adjust the sum required.

S 2. This act shall take effect immediately.

PART WW

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

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

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

PART XX

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

1. Racing associations and corporations, franchised corporations, off-track betting corporations and multi-jurisdictional account wagering providers may form partnerships, joint ventures, or any other affiliations or contractual arrangement in order to further the purposes of this section. Multi-jurisdictional account wagering providers involved 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 ACCOUNT WAGERING PROVIDER DEFINED IN THIS ARTICLE.

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

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

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

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

PART YY

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

(4) Any eligible educational institution. An "eligible educational institution" shall mean any public school district, a board of cooperative educational services, a public elementary or secondary school, a school approved pursuant to article eighty-five or eighty-nine of the education law to serve students with disabilities of school age, or a nonpublic elementary or secondary school that provides instruction in grade one or above, ALL PUBLIC LIBRARY SYSTEMS AS DEFINED IN SUBDIVISION ONE OF SECTION TWO HUNDRED SEVENTY-TWO OF THE EDUCATION LAW, AND ALL PUBLIC AND FREE ASSOCIATION LIBRARIES AS SUCH TERMS ARE DEFINED IN SUBDIVISION TWO OF SECTION TWO HUNDRED FIFTY-THREE OF THE EDUCATION LAW.

S 2. This act shall take effect immediately and apply to taxable periods beginning on or after January 1, 2016.

PART ZZ

Section 1. Section 19 of 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, is amended to read as follows:

S 19. This act shall take effect on [May] JULY 1, 2015; provided, however, that effective immediately the city of Buffalo is authorized to enact a local law establishing a traffic violations agency in the city 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 such local law, herein authorized, establishing a traffic violations agency; provided, further, that if established, such agency and the city of Buffalo shall comply with all the provisions of law set forth in this act; provided, however, that the amendments made to section 371 of the 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 notify the legislative bill drafting commission upon the occurrence of the enactment of the local law provided for in this section in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.

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

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of

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

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