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

6409--B

I N S E N A T E

January 14, 2016

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

AN ACT intentionally omitted (Part A); intentionally omitted (Part B); intentionally omitted (Part C); to amend the real property tax law, in relation to allowing applications for exemptions to be filed after the taxable status date in certain cases (Part D); to amend the tax law and the administrative code of the city of New York, in relation to establishing a new school tax reduction credit for residents of a city with a population over one million (Part E); to amend the real property tax law, in relation to authorizing the commissioner of taxation and finance to make direct payments of STAR tax savings to property owners in certain cases (Part F); to amend chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness thereof (Part G); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part H); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part I); to amend the tax law, in relation to extending the empire state commercial production tax credit (Part J); to amend chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who provide transportation to people with disabilities, in relation to extending the expiration of such provision (Part K); to amend part I of chapter 58 of the laws of 2006, amending the tax law relating to providing an enhanced earned income tax credit, in relation to making the enhanced earned income tax credit permanent (Part L); to amend part N of chapter 61 of the laws of 2005 amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to extending the disclosure and penalty provisions for transactions that present the potential for tax avoidance (Part M); to amend the tax law, in relation to extending the clean heating fuel credit for three years and updating the credit to reflect new minimum

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

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biodiesel fuel thresholds (Part N); intentionally omitted (Part O); to amend the tax law and the administrative code of the city of New York, in relation to making corrections to the corporate tax reform provisions (Subpart A); to amend the tax law, in relation to the carryover of credit for the special additional mortgage recording tax (Subpart B); to amend the tax law, in relation to the definition of investment income (Subpart C); to amend the tax law, in relation to definitions concerning prior net operating loss conversion subtraction (Subpart D); to amend the tax law, in relation to the metropolitan transportation business tax surcharge (Subpart E); to amend the tax law, in relation to the real property tax credit for manufacturers (Subpart F); and to amend the tax law, in relation to leases as assets for a qualified residential loan portfolio (Subpart G) (Part P); to amend the tax law and the administrative code of the city of New York, in relation to the time for filing reports (Part Q); to amend the tax law and the administrative code of the city of New York, in relation to business income base and certain small business taxpayers (Part R); to amend the tax law and the education law, in relation to enacting the "education investment incentives act" (Part S); intentionally omitted (Part T); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions for five years (Part U); to amend the tax law, in relation to exempting from alcoholic beverage tax certain alcoholic beverages furnished at no charge by certain licensees to customers or prospective customers at a tasting held in accordance with the alcoholic beverage control law, and to expand the beer production credit to include wine, liquor and cider (Part V); intentionally omitted (Part W); to amend the tax law and the administrative code of the city of New York, in relation to allowing room remarketers to purchase occupancies from hotel operators exempt from sales tax under certain circumstances (Part X); to amend the tax law, in relation to charitable contributions and charitable activities being considered in determining domicile for estate tax purposes (Part Y); to amend the state finance law, in relation to creating the aviation purpose account and ensuring that the funds deposited in the aviation purpose account are used for airport improvement projects; to amend the tax law, in relation to provide for the distribution of revenues under section 301-e of such law; to exempt sales of fuel sold for use in commercial aircraft and general aviation aircraft from the prepayment of sales tax imposed pursuant to the authority of section 1102(a) (1) (ii) of such law; and to exclude sales of fuel sold for use in commercial aircraft and general aviation aircraft from the operation of sales and use taxes imposed pursuant to the authority of section 1210(a) of such law (Part Z); intentionally omitted (Part AA); intentionally omitted (Part BB); to amend the racing, pari-mutuel wagering and breeding law, in relation to the timing of harness track reimbursements and other technical amendments (Part CC); to amend the tax law, in relation to the payment of vendors' fees (Part DD); to amend the tax law, in relation to vendor fees at vendor tracks (Part EE); 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 breed-

ing law and other laws relating to simulcasting; to amend 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 provision thereof; and to amend the racing, pari-mutuel and breeding law, in relation to extending certain provisions thereof (Part FF); to amend the tax law, in relation to capital awards to vendor tracks (Part GG); to amend the state finance law, in relation to allocations from the commercial gaming revenue fund; and to amend the tax law, in relation to commissions payable to certain vendor racetracks (Part HH); to amend the tax law, in relation to further clarifying disclosure procedures regarding medical marihuana (Part II); to amend the real property tax law, in relation to STAR recoupment program (Part JJ); to amend the tax law and the state finance law, in relation to the fees associated with a certificate of registration and decal imposed by article 21 of the tax law for certain vehicles operating on public highways in New York state (Part KK); to amend the tax law, in relation to the estate tax where the estate includes a farm operation (Part LL); to amend the tax law, in relation to increasing the exemption for pensions and annuities for certain persons (Part MM); to amend the tax law, in relation to cost of living adjustment (Part NN); to amend the tax law, in relation to reductions in the imposition of personal income tax (Part OO); to amend the public service law, in relation to the temporary state energy and utility service conservation assessment (Part PP); to amend the tax law, in relation to the property tax relief credit (Part QQ); to amend the tax law, in relation to the definition of "allowable college tuition expenses" and the tax credit allowed for such expenses (Part RR); to amend the tax law, in relation to contributions to family tuition accounts (Part SS); to amend the tax law, in relation to interest on indebtedness incurred by taxpayer to pay for higher education (Part TT); to amend the tax law, in relation to requiring wholesalers of motor fuel to register and file returns (Part UU); to amend the tax law, in relation to exempting commercial fuel cell electricity generating systems and electricity provided by such 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 (Part VV); to amend the tax law and the state finance law, in relation to the creation of the cigarette tax enforcement fund; and making an appropriation therefor (Part WW); to amend chapter 60 of the laws of 2011, amending the New York state urban development corporation act relating to the new markets tax credits, in relation to extending the effectiveness thereof (Part XX); to amend the tax law and the insurance law, in relation to the tax credit for the purchase of long-term care insurance (Part YY); to amend the state finance law, in relation to the sharing of revenue from gaming devices located within the county of Niagara; and to amend chapter 747 of the laws of 2006 amending the state finance law, relating to the tribal-state compact revenue account, in relation to extending the effectiveness thereof (Part ZZ); to amend the racing, pari-mutuel wagering and breeding law, in relation to a memorandum of understanding relating to health insurance for jockeys (Part AAA); to amend the racing, pari-mutuel wagering and breeding law, in relation to the New York Jockey Injury Compensation Fund, Inc. (Part BBB); to amend the racing, pari-mutuel wagering and breeding law, in relation to creating the racing fan advisory council (Part CCC); to amend the racing, pari-mutuel

wagering and breeding law and the financial services law, in relation to interactive fantasy sports (Part DDD); to amend the racing, pari-mutuel wagering and breeding law, in relation to payments in support of racing (Part EEE); to amend the racing, pari-mutuel wagering and breeding law and the penal law, in relation to allowing certain interactive poker games (Part FFF); relating to capital acquisition funds maintained by regional off-track betting corporations (Part GGG); to amend the racing, pari-mutuel wagering and breeding law, in relation to authorizing the division of state police to conduct qualification investigations for those applying for casino key employee licenses or gaming employee registrations (Part HHH); and to amend the tax law, in relation to establishing the green building credit (Part III)

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 2016-2017 state fiscal year. Each component is wholly contained within a Part identified as Parts A through III. 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

Intentionally Omitted

PART C

Intentionally Omitted

PART D

Section 1. Subdivision 6 of section 425 of the real property tax law is amended by adding a new paragraph (a-2) to read as follows:

(A-2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHERE A RENEWAL APPLICATION FOR THE "ENHANCED" STAR EXEMPTION AUTHORIZED BY SUBDIVISION FOUR OF THIS SECTION HAS NOT BEEN FILED ON OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING SCHOOL TAXES WITHOUT INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE COMMISSIONER ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION. SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE. AFTER CONSULT-

ING WITH THE ASSESSOR, THE COMMISSIONER MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF THE COMMISSIONER IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II) THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE COMMISSIONER SHALL MAIL NOTICE OF HIS OR HER DETERMINATION TO SUCH OWNER AND THE ASSESSOR. IF THE DETERMINATION STATES THAT THE COMMISSIONER HAS GRANTED THE EXEMPTION, THE ASSESSOR SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE SCHOOL TAXES ARE LEVIED, THE FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

S 2. Section 467 of the real property tax law is amended by adding a new subdivision 8-a to read as follows:

8-A. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LOCAL GOVERNING BODY OF A MUNICIPAL CORPORATION THAT IS AUTHORIZED TO ADOPT A LOCAL LAW PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION IS FURTHER AUTHORIZED TO ADOPT A LOCAL LAW PROVIDING THAT WHERE A RENEWAL APPLICATION FOR THE EXEMPTION AUTHORIZED BY THIS SECTION HAS NOT BEEN FILED ON OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING TAXES WITHOUT INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE ASSESSOR ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION. SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE. THE ASSESSOR MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF HE OR SHE IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II) THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE ASSESSOR SHALL MAIL NOTICE OF HIS OR HER DETERMINATION TO THE OWNER. IF THE DETERMINATION STATES THAT THE ASSESSOR HAS GRANTED THE EXEMPTION, HE OR SHE SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE TAXES ARE LEVIED, THE FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

S 3. This act shall take effect on the sixtieth day after it shall have become a law.

PART E

Section 1. Section 606 of the tax law is amended by adding a new subsection (eee) to read as follows:

(EEE) SCHOOL TAX REDUCTION CREDIT FOR RESIDENTS OF A CITY WITH A POPULATION OVER ONE MILLION. (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FIFTEEN, A SCHOOL TAX REDUCTION CREDIT SHALL BE ALLOWED TO A RESIDENT INDIVIDUAL OF THE STATE WHO IS A RESIDENT OF A CITY WITH A POPULATION OVER ONE MILLION, AS PROVIDED BELOW. THE CREDIT SHALL BE ALLOWED AGAINST THE TAXES AUTHORIZED BY THIS ARTICLE REDUCED BY THE

CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED, 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, THAT NO INTEREST WILL BE PAID THEREON. FOR PURPOSES OF THIS SUBSECTION, NO CREDIT SHALL BE GRANTED TO AN INDIVIDUAL WITH RESPECT TO WHOM A DEDUCTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED FIFTY-ONE OF THE INTERNAL REVENUE CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR.

(2) THE AMOUNT OF THE CREDIT UNDER THIS PARAGRAPH SHALL BE DETERMINED BASED UPON THE TAXPAYER'S INCOME AS DEFINED IN SUBPARAGRAPH (II) OF PARAGRAPH (B) OF SUBDIVISION FOUR OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW. FOR THE PURPOSES OF THIS PARAGRAPH, ANY TAXPAYER UNDER SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH WITH INCOME OF MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL NOT RECEIVE A CREDIT.

(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES. IN THE CASE OF MARRIED INDIVIDUALS WHO MAKE A SINGLE RETURN JOINTLY AND OF A SURVIVING SPOUSE, THE CREDIT SHALL BE ONE HUNDRED TWENTY-FIVE DOLLARS.

(B) ALL OTHERS. IN THE CASE OF AN UNMARRIED INDIVIDUAL, A HEAD OF A HOUSEHOLD OR A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, THE CREDIT SHALL BE SIXTY-TWO DOLLARS AND FIFTY CENTS.

(3) PART-YEAR RESIDENTS. IF A TAXPAYER CHANGES STATUS DURING THE TAXABLE YEAR FROM RESIDENT TO NONRESIDENT, OR FROM NONRESIDENT TO RESIDENT, THE SCHOOL TAX REDUCTION CREDIT AUTHORIZED BY THIS SUBSECTION SHALL BE PRORATED ACCORDING TO THE NUMBER OF MONTHS IN THE PERIOD OF RESIDENCE.

S 2. Paragraphs 1 and 2 of subsection (e) of section 1310 of the tax law, paragraph 1 as amended by section 3 of part A of chapter 56 of the laws of 1998, paragraph 2 as amended by section 1 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 4 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven, AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this subsection, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For the purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by

applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of this chapter.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]- 2015	$125

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]- 2015	$62.50

S 3. Paragraphs 1 and 2 of subsection (c) of section 11-1706 of the administrative code of the city of New York, paragraph 1 as amended by section 6 of part A of chapter 56 of the laws of 1998, paragraph 2 as amended by section 2 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 5 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this [subdivision] SUBSECTION, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax

year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of the tax law.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]- 2015	$125

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]- 2015	$62.50

S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2016.

PART F

Section 1. Section 425 of the real property tax law is amended by adding a new subdivision 16 to read as follows:

(16) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHEN THE COMMISSIONER FINDS THAT A PROPERTY OWNER WAS ELIGIBLE FOR THE STAR EXEMPTION AUTHORIZED BY THIS SECTION ON AN ASSESSMENT ROLL, BUT THE EXEMPTION WAS NOT TAKEN INTO ACCOUNT IN THE CALCULATION OF THE PROPERTY OWNER'S SCHOOL TAX BILL DUE TO AN ADMINISTRATIVE ERROR, AND THE PROPERTY OWNER OR HIS OR HER AGENT PAID AN EXCESSIVE AMOUNT OF SCHOOL TAXES ON THE PROPERTY AS A RESULT, THE COMMISSIONER OF TAXATION AND FINANCE IS AUTHORIZED TO REMIT DIRECTLY TO THE PROPERTY OWNER THE TAX SAVINGS THAT THE STAR EXEMPTION WOULD HAVE YIELDED IF THE STAR EXEMPTION HAD BEEN TAKEN INTO ACCOUNT IN THE CALCULATION OF THAT TAXPAYER'S SCHOOL TAX BILL. THE AMOUNTS PAYABLE UNDER THIS SECTION 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 FOURTEEN OF THIS SECTION. WHERE SUCH A PAYMENT HAS BEEN MADE, NEITHER THE PROPERTY OWNER NOR HIS OR HER AGENT SHALL BE ENTITLED TO A REFUND OF THE EXCESSIVE AMOUNT OF SCHOOL TAXES PAID ON ACCOUNT OF THE ADMINISTRATIVE ERROR.

S 2. This act shall take effect immediately.

PART G

Section 1. Intentionally omitted.

S 2. Intentionally omitted.

S 3. Intentionally omitted.

S 4. Intentionally omitted.

S 5. Section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing stand-

ards for electronic tax administration, as amended by section 1 of part H of chapter 59 of the laws of 2013, is amended to read as follows:

S 23. This act shall take effect immediately; provided, however, that:

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law and shall expire and be deemed repealed December 31, [2016] 2017, provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report 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;

(b) sections fourteen, fifteen, sixteen and seventeen of this act shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent;

(c) sections fourteen-a and fifteen-a of this act shall take effect September 15, 2011 and expire and be deemed repealed December 31, 2012 but shall take effect only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is eighty-five percent or greater;

(d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this act shall take effect January 1, [2017] 2018 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and

(e) sections twenty-one and twenty-one-a of this act shall expire and be deemed repealed December 31, [2016] 2017.

S 6. Intentionally omitted.

S 7. Intentionally omitted.

S 8. This act shall take effect immediately.

PART H

Section 1. Subdivision 4 of section 22 of the public housing law, as amended by section 2 of part P of chapter 59 of the laws of 2014, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [sixty-four] SEVENTY-TWO million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not

apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 2. Subdivision 4 of section 22 of the public housing law, as amended by section one of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [seventy-two] EIGHTY million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 3. Subdivision 4 of section 22 of the public housing law as amended by section two of this act is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [eighty] EIGHTY-EIGHT million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 4. Subdivision 4 of section 22 of the public housing law, as amended by section three of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [eighty-eight] NINETY-SIX million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 5. Subdivision 4 of section 22 of the public housing law, as amended by section four of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [ninety-six] ONE HUNDRED FOUR million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 6. This act shall take effect immediately; provided, however, section two of this act shall take effect April 1, 2017; section three of this act shall take effect April 1, 2018; section four of this act shall take effect April 1, 2019 and section five of this act shall take effect April 1, 2020.

PART I

Section 1. Paragraphs (a) and (b) of subdivision 29 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:

(a) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than one year and for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the

qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(b) Qualified veteran. A qualified veteran is an individual:

(1) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(2) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(3) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax law, as added by section 3 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, for hiring and employing, for not less than one year and for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subsection, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(2) Qualified veteran. A qualified veteran is an individual:

(A) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(C) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the tax law, as added by section 5 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than one year and

for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(2) Qualified veteran. A qualified veteran is an individual:

(A) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(C) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 4. This act shall take effect immediately.

PART J

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

(1) A taxpayer which is a qualified commercial production company, or which is a sole proprietor of a qualified commercial production company, and which is subject to tax under article nine-A or twenty-two of this chapter, shall be allowed a credit against such tax, pursuant to the provisions referenced in subdivision (c) of this section, to be computed as provided in this section. Provided, however, to be eligible for such credit, at least seventy-five percent of the production costs (excluding post production costs) paid or incurred directly and predominantly in the actual filming or recording of the qualified commercial must be costs incurred in New York state. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 2. Paragraph (c) of subdivision 23 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:

(c) Expiration of credit. The credit allowed under this subdivision shall not be applicable to taxable years beginning on or after [December thirty-first] JANUARY FIRST, two thousand [seventeen] NINETEEN.

S 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as amended by section 4 of part O of chapter 59 of the laws of 2014, is amended to read as follows:

(1) Allowance of credit. A taxpayer that is eligible pursuant to the provisions of section twenty-eight of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 4. This act shall take effect immediately.

PART K

Section 1. Section 5 of chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who provide transportation to people with disabilities, is amended to read as follows:

S 5. This act shall take effect immediately and shall remain in effect until December 31, 2016 when upon such date it shall be deemed repealed; provided that this act shall be deemed to have been in full force and effect on December 31, 2010; [and] provided further that this act shall apply to all tax years commencing on or after January 1, 2011; AND PROVIDED FURTHER THAT SECTIONS ONE AND TWO OF THIS ACT SHALL REMAIN IN EFFECT UNTIL DECEMBER 31, 2022 WHEN UPON SUCH DATE SUCH SECTIONS SHALL BE DEEMED REPEALED.

S 2. Paragraph (c) of subdivision 38 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:

(c) Application of credit. In no event shall the credit allowed under this subdivision for any taxable year 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 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 such taxable year shall be carried over to the following year or years, and may be deducted from the taxpayer's tax for such year or years. THE TAX CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION SHALL NOT APPLY TO TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND TWENTY-THREE.

S 3. This act shall take effect immediately.

PART L

Section 1. Section 2 of part I of chapter 58 of the laws of 2006, relating to providing an enhanced earned income tax credit, as amended by section 1 of part G of chapter 59 of the laws of 2014, is amended to read as follows:

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006 [and before January 1, 2017].

S 2. This act shall take effect immediately.

PART M

Section 1. Section 12 of part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, as amended by section 1 of part B of chapter 61 of the laws of 2011, is amended to read as follows:

S 12. This act shall take effect immediately; provided, however, that (i) section one of this act shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that were required to be filed with the internal revenue service at any time with respect to "listed transactions" as described in such paragraph 1, and shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that

were required to be filed with the internal revenue service with respect to "reportable transactions" as described in such paragraph 1, other than "listed transactions", in which a taxpayer participated during any taxable year for which the statute of limitations for assessment has not expired as of the date this act shall take effect, and shall apply to returns or statements described in such paragraph 1 required to be filed by taxpayers (or persons as described in such paragraph) with the commissioner of taxation and finance on or after the sixtieth day after this act shall have become a law; and

(ii) sections two through four and seven through nine of this act shall apply to any tax liability for which the statute of limitations on assessment has not expired as of the date this act shall take effect; and

(iii) provided, further, that the provisions of this act, except section five of this act, shall expire and be deemed repealed July 1, [2015] 2017; provided, that, such expiration and repeal shall not affect any requirement imposed pursuant to this act.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2015; provided, however that notwithstanding the provisions of article 5 of the general construction law, the provisions of section 25, paragraph 11 of subsection (c) of section 683, subsections (p), (p-1), (x), (y), (z), (aa) and (bb) of section 685, paragraph 11 of subsection (c) of section 1083, subsections (k), (k-1), (p), (q), (r), (s) and (t) of section 1085 of the tax law, and section 11 of part N of chapter 61 of the laws of 2005, are hereby revived and shall continue in full force and effect as such provisions existed on July 1, 2015.

PART N

Section 1. Paragraph (a) of subdivision 25 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:

(a) General. A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheat, used for space heating or hot water production for residential purposes within this state purchased before January first, two thousand [seventeen] TWENTY. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheat, not to exceed twenty cents per gallon, purchased by such taxpayer. PROVIDED, HOWEVER, THAT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT SHALL NOT APPLY TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER GALLON OF BIOHEAT.

S 2. Paragraph 1 of subsection (mm) of section 606 of the tax law, as amended by chapter 193 of the laws of 2012, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheat, used for space heating or hot water production for residential purposes within this state and purchased on or after July first, two thousand six and before July first, two thousand seven and on or after January first, two thousand eight and before January first, two thousand [seventeen] TWENTY. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheat, not to exceed twenty cents per gallon, purchased by such taxpayer. PROVIDED, HOWEVER, THAT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT SHALL NOT APPLY

TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER GALLON OF BIOHEAT.

S 3. This act shall take effect immediately.

PART O

Intentionally Omitted

PART P

Section 1. This act enacts into law major components of legislation. Each component is wholly contained within a Subpart identified as Subparts A through G. The effective date for each particular provision contained within such Subpart is set forth in the last section of such Subpart. Any provision in any section contained within a Subpart, including the effective date of the Subpart, which makes references 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 Subpart in which it is found. Section three of this act sets forth the general effective date of this act.

SUBPART A

Section 1. Subdivision (c) of section 24 of the tax law, as added by section 1 of part P of chapter 60 of the laws of 2004, is amended to read as follows:

(c) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) article 9-A: section [210] 210-B: subdivision [36] 20.

(2) article 22: section 606: subsection (gg).

S 2. Subdivision (a) and paragraphs 2, 4, and 5 of subdivision (e) of section 38 of the tax law, as added by section 1 of part EE of chapter 59 of the laws of 2013, are amended to read as follows:

(a) A taxpayer that is an eligible employer or an owner of an eligible employer as defined in subdivision (b) of this section shall be eligible for a credit against the tax imposed under article nine, nine-A, twenty-two, [thirty-two] or thirty-three of this article, pursuant to the provisions referenced in subdivision (e) of this section.

(2) Article 9-A: Section [210] 210-B, subdivision [46] 40.

(4) [Article 32: Section 1456, subsection (z).

(5)] Article 33: Section 1511, subdivision (cc).

S 3. Paragraph (e) 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:

(e) At the end of each year, the commissioner shall review the cumulative percentage change in the consumer price index. The commissioner shall adjust the receipt thresholds set forth in this subdivision if the consumer price index has changed by ten percent or more since January first, two thousand fifteen, or since the date that the thresholds were last adjusted under this subdivision. The thresholds shall be adjusted to reflect that cumulative percentage change in the consumer price index. The adjusted thresholds shall be rounded to the nearest one thousand dollars. As used in this paragraph, "consumer price index" means the consumer price index for all urban consumers (CPI-U) available [form] FROM the bureau of labor statistics of the United States depart-

ment of labor. Any adjustment shall apply to tax periods that begin after the adjustment is made.

S 4. The opening paragraph of paragraph (a) of subdivision 5 of section 210-A of the tax law, as amended by section 23 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

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, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME AS DEFINED IN SUBDIVISION SIX-A OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS DESCRIBED IN SUCH SUBDIVISION SIX-A. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis.

S 5. Paragraph (c) of subdivision 7 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:

(c) Average number of individuals employed full-time. For the purposes of this subdivision, average number of individuals employed full-time shall be computed by adding the number of such individuals employed by the taxpayer at the end of each quarter during each taxable year or other applicable period and dividing the sum so obtained by the number of such quarters occurring within such taxable year or other applicable period; provided however, except that in computing base year employment, there shall be excluded therefrom any employee with respect to whom a credit provided for under subdivision [six of this section is] NINETEEN OF SECTION TWO HUNDRED TEN OF THIS ARTICLE, AS SUCH SUBDIVISION WAS IN EFFECT ON DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN, WAS claimed for the taxable year.

S 6. Paragraph (a) of subdivision 9 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:

(a) Application of credit. A taxpayer shall be allowed a credit, to be credited against the tax imposed by this article, equal to the amount of the special additional mortgage recording tax paid by the taxpayer pursuant to the provisions of subdivision one-a of section two hundred fifty-three of this chapter [or] ON mortgages recorded. Provided, howev-

er, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in one or more of the counties comprising the metropolitan commuter transportation area. Provided further, however, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in the county of Erie.

S 7. Subdivision 45 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:

45. Order of credits. [(a)] Credits allowable under this article which cannot be carried over and which are not refundable shall be deducted first. [The credit allowable under subdivision six of this section shall be deducted immediately after the deduction of all credits allowable under this article which cannot be carried over and which are not refundable, whether or not a portion of such credit is refundable.] Credits allowable under this article which can be carried over, and carryovers of such credits, shall be deducted next [after the deduction of the credit allowable under subdivision six of this section], and among such credits, those whose carryover is of limited duration shall be deducted before those whose carryover is of unlimited duration. Credits allowable under this article which are refundable [(other than the credit allowable under subdivision six of this section)] shall be deducted last.

S 8. Paragraph (a) 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:

(a) Subject to the provisions of paragraph (c) of subdivision two of this section, a taxpayer may elect to treat as its combined group all corporations that meet the ownership requirements described in paragraph (a) of subdivision two of this section (such corporations collectively referred to in this subdivision as the "commonly owned group"). If that election is made, the commonly owned group shall calculate the combined business income, combined capital, and fixed dollar minimum bases of all members of the group in accordance with [paragraph] SUBDIVISION four of this [subdivision] SECTION, whether or not that business income or business capital is from a single unitary business.

S 9. Paragraph I of subdivision 1 of section 11-604 of the administrative code of the city of New York, as added by chapter 491 of the laws of 2007, is amended to read as follows:

I. Notwithstanding any provision of this subdivision to the contrary, for taxable years beginning on or after January first, two thousand seven for any corporation that:

(a) has a business allocation percentage for the taxable year, as determined under paragraph (a) of subdivision three of this section, of one hundred percent;

(b) has no investment capital or income at any time during the taxable year;

(c) has no subsidiary capital or income at any time during the taxable year; and

(d) has gross income, as defined in section sixty-one of the internal revenue code, less than two hundred fifty thousand dollars for the taxable year:

the tax imposed by subdivision one of section 11-603 of this subchapter shall be the greater of the tax on entire net income computed under clause one of subparagraph (a) of paragraph E of this subdivision and the fixed dollar minimum tax specified in clause four of subparagraph (a) of paragraph E of this subdivision.

For purposes of this paragraph, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, any corporation for which an election under subsection (a) of section six hundred sixty of the tax law is not in effect for the taxable year may elect to treat as entire net income the sum of:

(i) entire net income as determined under section two hundred eight of the tax law; and

(ii) any deductions taken for the taxable year in computing federal taxable income for New York city taxes paid or accrued under this chapter.

S 10. Subdivision 2 of section 11-651 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

2. Each reference in THE TAX LAW OR this code to subchapters two or three of this chapter, or any of the provisions thereof, shall be deemed a reference also to this subchapter, and any of the applicable provisions thereof, where appropriate and with all necessary modifications.

S 11. Paragraph (a) of subdivision 4 of section 11-652 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, 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 stocks during the taxable year; (ii) are held by the taxpayer for investment for more than 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; 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 11-654.3 of this subchapter, and stock [used] 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 12. Subparagraph 2 of paragraph (a) of subdivision 18 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(2) The amount determined in this subparagraph is the product of (i) the excess of (A) the tax computed under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, without allowance of any credits allowed by this section, over (B) the tax so computed, determined as if the corporation had no such distributive share or guaranteed payments with respect to the unincorporated business, and (ii) a fraction, the numerator of which is four and the denominator of which is eight and eighty-five one hundredths, [provided however,] EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year; [and,] provided[, however,] that the amounts computed in subclauses (A) and (B) of clause (i) of this subparagraph shall be computed with the following modifications:

(A) such amounts shall be computed without taking into account any carryforward or carryback by the partner of a net operating loss or a prior net operation loss conversion subtraction;

(B) if, prior to taking into account any distributive share or guaranteed payments from any unincorporated business or any net operating loss carryforward or carryback, the entire net income of the partner is less than zero, such entire net income shall be treated as zero; and

(C) if such partner's net total distributive share of income, gain, loss and deductions of, and guaranteed payments from, any unincorporated business is less than zero, such net total shall be treated as zero. The amount determined in this subparagraph shall not be less than zero.

S 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(1) Notwithstanding anything to the contrary in paragraph (a) of this subdivision, in the case of a corporation that, before the application of this subdivision or any other credit allowed by this section, is liable for the tax on business income under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, the credit or the sum of the credits that may be taken by such corporation for a taxable year under this subdivision with respect to an unincorporated business or unincorporated businesses in which it is a partner shall not exceed the tax so computed, without allowance of any credits allowed by this section, multiplied by a fraction the numerator of which is four and the denominator of which is eight and eighty-five one-hundredths [provided, however], EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year. If the credit allowed under this subdivision or the sum of such credits exceeds the product of such tax and such fraction, the amount of the excess may be carried

forward, in order, to each of the seven immediately succeeding taxable years and, to the extent not previously taken, shall be allowed as a credit in each of such years. In applying the provisions of the preceding sentence, the credit determined for the taxable year under paragraph (a) of this subdivision shall be taken before taking any credit carryforward pursuant to this paragraph and the credit carryforward attributable to the earliest taxable year shall be taken before taking a credit carryforward attributable to a subsequent taxable year.

S 14. Subparagraph 8 of paragraph (a) of subdivision 21 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(8) The credit allowed under this subdivision shall only be allowed for taxable years beginning before January first, two thousand [sixteen] NINETEEN.

S 15. Paragraph (c) of subdivision 2 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(c) Receipts from sales of tangible personal property and electricity that are traded as commodities as the term "commodity" is defined in section four hundred seventy-five of the internal revenue code, shall be included in the receipts fraction in accordance with clause [(i)] (IX) of subparagraph two of paragraph (a) of subdivision five of this section.

S 16. The opening paragraph of paragraph (a) of subdivision 5 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

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 clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) 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 clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) 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 [4] FOUR of section 11-652 of this subchapter shall not be a qualified financial instrument, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME AS DEFINED IN SUBDIVISION FIVE-A OF SECTION 11-652 OF THIS SUBCHAPTER AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS DESCRIBED IN SUCH SUBDIVISION FIVE-A. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis.

S 17. This act shall take effect immediately; provided however that sections one, two, three, four, five, six, seven and eight of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part A of chapter 59 of the laws of 2014, took effect, and sections nine, ten, eleven, twelve, thirteen, fourteen, fifteen and sixteen of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part D of chapter 60 of the laws of 2015, took effect.

SUBPART B

Section 1. Paragraph (b) of subdivision 9 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) [Carryover.] REFUND. In no event shall the credit herein provided for be allowed in an amount which will reduce the tax payable to less than the fixed dollar minimum amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. If, however, the amount of credit allowable under this subdivision for any taxable year, including any credit carried over from a prior 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 year or years and may be deducted from the taxpayer's tax for such year or years. PROVIDED, HOWEVER, IN LIEU OF CARRYING OVER, TO THE FOLLOWING YEAR OR YEARS, THE UNUSED PORTION OF CREDITS ATTRIBUTABLE TO SPECIAL ADDITIONAL MORTGAGE RECORDING TAX WITH RESPECT TO SUCH MORTGAGES, WHICH IS DUE AND PAID IN ANY OF SUCH TAXABLE YEARS, THE TAXPAYER MAY ELECT TO TREAT SUCH UNUSED PORTION AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER EXCEPT THAT NO INTEREST SHALL BE PAID ON SUCH OVERPAYMENT.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2015.

SUBPART C

Section 1. Paragraph (a) of subdivision 6 of section 208 of the tax law, as amended by section 5 of part T of chapter 59 of the laws of 2015, is 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, 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, provided, however, that in no case shall investment income exceed entire net income. (ii) If the amount of interest deductions subtracted under subparagraph (i) of this paragraph exceeds investment income, the excess of such amount over investment income must be added back to entire net income. (iii) If FIFTY PERCENT OR MORE OF THE RECEIPTS, DIVIDENDS, INTEREST INCOME, NET INTEREST INCOME, NET INTEREST, NET INCOME AND NET GAIN IN THE DENOMINATOR OF A TAXPAYER'S APPORTIONMENT FRACTION ARE FROM TRANSACTIONS AND SOURCES DESCRIBED IN SUBDIVISION FIVE OF SECTION TWO HUNDRED TEN-A OF THIS ARTICLE AND 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.

S 2. This act shall take effect immediately.

SUBPART D

Section 1. Subclause 1 of clause (B) of subparagraph (viii) of paragraph (a) of subdivision 1 of section 210 of the tax law, is amended by adding three new items (V), (VI) and (VII) to read as follows:

(V) IN LIEU OF THE BASE YEAR BAP DEFINED IN ITEM (III) OF THIS SUBCLAUSE, A HISTORICAL LOSS COMPANY MAY ELECT TO COMPUTE ITS BASE YEAR BAP BASED ON THE AVERAGE OF THE "BUSINESS ALLOCATION PERCENTAGES" REPORTED ON ITS ANNUAL CORPORATE FRANCHISE TAX RETURNS THAT THE HISTORICAL LOSS COMPANY FILED FOR THE TAXABLE YEARS DURING THE LOSS PERIOD.

(VI) "HISTORICAL LOSS COMPANY" MEANS A COMPANY THAT DID NOT PAY CORPORATE FRANCHISE TAX ON AN ENTIRE NET INCOME BASIS FOR ITS TAXABLE YEARS DURING THE LOSS PERIOD AND EITHER REALIZED A LOSS IN EACH SUCH TAXABLE YEAR OR CARRIED FORWARD A PRIOR LOSS FROM A TAXABLE YEAR ENDING BEFORE SUCH LOSS PERIOD TO OFFSET SUCH ENTIRE NET INCOME, SUCH THAT THE COMPANY WOULD BE IN AN HISTORICAL LOSS POSITION DURING THE LOSS PERIOD.

(VII) "LOSS PERIOD" MEANS THE PERIOD COMMENCING WITH THE TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND, AND ENDING WITH THE LAST TAXABLE YEAR THAT INCLUDES OR ENDS ON DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN.

S 2. This act shall take effect immediately.

SUBPART E

Section 1. Paragraph (f) 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:

(f) The commissioner shall determine the rate of tax for taxable years beginning on or after January first, two thousand sixteen by adjusting the rate for taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand sixteen as necessary to ensure that the receipts attributable to such surcharge, as impacted by the chapter of the laws of two thousand fourteen which added this paragraph, will meet and not exceed the financial projections for state fiscal year two thousand sixteen-two thousand seventeen, as reflected in state fiscal year two thousand fifteen-two thousand sixteen enacted budget. The commissioner shall annually determine the rate thereafter using the financial projections for the state fiscal year that commences in the year for which the rate is to be set as reflected in the enacted budget for the fiscal year commencing on the previous April first. PROVIDED HOWEVER, NO INCREASE IN THE RATE SHALL OCCUR IN TAXABLE YEARS BEGINNING AFTER TWO THOUSAND SIXTEEN.

S 2. This act shall take effect immediately.

SUBPART F

Section 1. Subparagraph 2 of paragraph (b) of subdivision 43 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:

(2) 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, 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. IN THE CASE OF A 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 STIPULATED IN THIS SUBDIVISION AND THE TAXPAYER LEASES SUCH REAL PROPERTY FROM A RELATED OR UNRELATED PARTY.

S 2. This act shall take effect immediately.

SUBPART G

Section 1. Item (III) of subclause (ii) of clause (B) of subparagraph 1 of paragraph (r) of subdivision 9 of section 208 of the tax law, as amended by section 6 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

(III) Tangible real and personal property, such as buildings, land, machinery, and equipment shall be valued at cost. Leased assets NOTWITHSTANDING WHETHER THE UNDERLYING LEASE IS INCLUDED ON THE BALANCE SHEET AS PROVIDED IN ITEM (II) 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.

S 2. This act shall take effect immediately.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or subpart 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 subpart 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 Subparts A through G of this act shall be as specifically set forth in the last section of such Subparts.

PART Q

Section 1. Subdivision 5 of section 183-a of the tax law, as amended by section 61 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

5. The report covering the tax surcharge which must be calculated pursuant to this section based upon the tax reportable on the report due by March fifteenth of any year under section one hundred eighty-three of this article, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON THE REPORT DUE BY APRIL FIFTEENTH OF ANY YEAR

UNDER SECTION ONE HUNDRED EIGHTY-THREE OF THIS ARTICLE, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, shall be filed on or before March fifteenth of the year next succeeding such year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF THE YEAR NEXT SUCCEEDING SUCH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN. An extension pursuant to section one hundred ninety-three of this article shall be allowed only if a taxpayer files with the commissioner an application for extension in such form as said commissioner may prescribe by regulation and pays on or before the date of such filing in addition to any other amounts required under this article, either ninety percent of the entire tax surcharge required to be paid under this section for the applicable period, or not less than the tax surcharge shown on the taxpayer's report for the preceding year, if such preceding year consisted of twelve months. The tax surcharge imposed by this section shall be payable to the commissioner in full at the time the report is required to be filed, and such tax surcharge or the balance thereof, imposed on any taxpayer which ceases to exercise its franchise or be subject to the tax surcharge imposed by this section shall be payable to the commissioner at the time the report is required to be filed, provided such tax surcharge of a domestic corporation which continues to possess its franchise shall be subject to adjustment as the circumstances may require; all other tax surcharges of any such taxpayer, which pursuant to the foregoing provisions of this section would otherwise be payable subsequent to the time such report is required to be filed, shall nevertheless be payable at such time. All of the provisions of this article presently applicable to section one hundred eighty-three of this article are applicable to the tax surcharge imposed by this section except for section one hundred ninety-two of this article.

S 2. Subdivision 4 of section 186-a of the tax law, as amended by chapter 536 of the laws of 1998, is amended to read as follows:

4. Every utility subject to tax hereunder shall file, on or before March fifteenth of each year, a return for the year ended on the preceding December thirty-first, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the purposes of this subdivision, to have commenced on June first, nineteen hundred seventy-six, AND SHALL FILE, ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, A RETURN FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, including any period for which the tax imposed hereby or by any amendment hereof is effective, each of which returns shall state the gross income or gross operating income for the period covered by each such return. Returns shall be filed with the commissioner of taxation and finance on a form to be furnished by the commissioner for such purpose and shall contain such other data, information or matter as the commissioner may require to be included therein. Notwithstanding the foregoing provisions of this subdivision, the commissioner may require any utility to file an annual return, which shall contain any data specified by the commissioner, regardless of whether the utility is subject to tax under this section; and the commissioner may require a landlord selling to a tenant gas, electric, steam, water or refrigeration or furnishing gas, electric, steam, water or refrigerator service, where the same has been subjected to tax under this section on the sale to such landlord, to file, on or before the fifteenth day of March of each

year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF APRIL OF EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, an information return for the year ended on the preceding December thirty-first, covering such year in such form and containing such data as the commissioner may specify. Every return shall have annexed thereto a certification by the head of the utility making the same, or of the owner or of a co-partner thereof, or of a principal officer of the corporation, if such business be conducted by a corporation, to the effect that the statements contained therein are true.

S 3. Subdivision 6 of section 186-e of the tax law, as added by chapter 2 of the laws of 1995, is amended to read as follows:

6. Returns. Every provider of telecommunication services subject to tax under this section shall file, on or before March fifteenth of each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, a return for the year ended on the preceding December thirty-first, and pay the tax due, which return shall state the gross receipts for the period covered by each such return and the resale exclusions during such period. Returns shall be filed with the commissioner on a form to be furnished by the commissioner for such purpose and shall contain such other data, information or matter as the commissioner may require to be included therein. Notwithstanding the foregoing provisions of this subdivision, the commissioner may require any provider of telecommunication services to file an annual return, which shall contain any data specified by the commissioner, regardless of whether such provider is subject to tax under this section. Every return shall have annexed thereto a certification by the head of the provider of telecommunication services making the same, or of the owner or of a partner or member thereof, or of a principal officer of the corporation, if such business be conducted by a corporation, to the effect that the statements contained therein are true.

S 4. Subdivision 1 of section 192 of the tax law, as amended by chapter 96 of the laws of 1976, is amended to read as follows:

1. Corporations paying franchise tax. Every corporation, association or joint-stock company liable to pay a tax under section one hundred eighty-three or one hundred eighty-five of this chapter shall, on or before March fifteenth in each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, make a written report to the [tax commission] COMMISSIONER of its condition at the close of its business on the preceding December thirty-first, stating the amount of its authorized capital stock, the amount of stock paid in, the date and rate per centum of each dividend paid by it during the year ending with such day, the entire amount of the capital of such corporation, and the capital employed by it in this state during such year.

S 5. Subdivision 1 of section 192 of the tax law, as amended by section 26 of part S of chapter 59 of the laws of 2014, is amended to read as follows:

1. Corporations paying franchise tax. Every corporation, association or joint-stock company liable to pay a tax under section one hundred eighty-three of this chapter shall, on or before March fifteenth in each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN EACH YEAR, FOR TAXABLE

YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, make a written report to the [tax commission] COMMISSIONER of its condition at the close of its business on the preceding December thirty-first, stating the amount of its authorized capital stock, the amount of stock paid in, the date and rate per centum of each dividend paid by it during the year ending with such day, the entire amount of the capital of such corporation, and the capital employed by it in this state during such year.

S 6. Subdivision 2 of section 192 of the tax law, as amended by chapter 96 of the laws of 1976, is amended to read as follows:

2. Transportation and transmission corporations. Every transportation or transmission corporation, joint-stock company or association liable to pay an additional franchise tax under section one hundred eighty-four of this chapter, shall also, on or before March fifteenth of each year, make a written report to the [tax commission] COMMISSIONER of the amount of its gross earnings subject to the tax imposed by said section for the year ended on the preceding December thirty-first, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the purposes of this subdivision, to have commenced on July first, nineteen hundred seventy-six, AND SHALL ALSO, ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, MAKE A WRITTEN REPORT TO THE COMMISSIONER OF THE AMOUNT OF ITS GROSS EARNINGS SUBJECT TO THE TAX IMPOSED BY SAID SECTION FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN. Any such corporation, joint-stock company or association which ceases to be subject to the tax imposed by section one hundred eighty-four of this chapter by reason of a liquidation, dissolution, merger or consolidation with any other corporation, or any other cause, shall, on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require, make a written report to the [tax commission] COMMISSIONER of the amount of its gross earnings subject to the tax imposed by section one hundred eighty-four of this chapter for any period for which no report was theretofore filed. Any corporation, joint-stock company or association subject to a tax upon dividends under said section one hundred eighty-four of this chapter shall also include in its report under this subdivision required to be filed a statement of the authorized capital of the company, the amount of capital stock issued, and the amount of dividends of every nature paid during the year ended on the preceding December thirty-first. As to tax payers subject to such tax upon dividends under said section one hundred eighty-four of this chapter, the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the purposes of this subdivision, to have commenced on July first, nineteen hundred seventy-six.

S 7. Intentionally omitted.

S 8. Paragraph (a) of subdivision 1 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:

(a) For the privilege of exercising its corporate franchise, or of doing business, or of employing capital, or of owning or leasing property in this state in a corporate or organized capacity, or of maintaining an office in this state, or of deriving receipts from activity in this state, for all or any part of each of its fiscal or calendar years, every domestic or foreign corporation, except corporations specified in subdivision four of this section, shall annually pay a franchise tax, upon the basis of its business income base, or upon such other basis as

may be applicable as hereinafter provided, for such fiscal or calendar year or part thereof, on a report which shall be filed, except as hereinafter provided, on or before the fifteenth day of March next succeeding the close of each such year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, or, in the case of a corporation which reports on the basis of a fiscal year, within two and one-half months after the close of such fiscal year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF SUCH FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, and shall be paid as hereinafter provided.

S 9. Subdivision 1 of section 211 of the tax law, as amended by chapter 436 of the laws of 1974, the opening paragraph as amended by chapter 190 of the laws of 1990 and the second undesignated paragraph as amended by chapter 542 of the laws of 1985, is amended to read as follows:

1. Every taxpayer[, as well as every foreign corporation having an employee, including any officer, within the state,] shall annually on or before March fifteenth, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR BEFORE APRIL FIFTEENTH, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the [tax commission] COMMISSIONER a report in a form prescribed by [it] THE COMMISSIONER (except that a corporation which reports on the basis of a fiscal year shall transmit its report within two and one-half months after the close of its fiscal year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF ITS FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, and except, also, that a corporation which is a DISC shall transmit its report on or before the fifteenth day of the ninth month following the close of its calendar or fiscal year), setting forth such information as the [tax commission] COMMISSIONER may prescribe and every taxpayer which ceases to exercise its franchise or to be subject to the tax imposed by this article shall transmit to the [tax commission] COMMISSIONER a report on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require covering each year or period for which no report was theretofore filed. In the case of a termination year of an S corporation, the S short year and the C short year shall be treated as separate short taxable years, provided, however, the due date of the report for the S short year shall be the same as the due date of the report for the C short year. Every taxpayer shall also transmit such other reports and such facts and information as the [tax commission] COMMISSIONER may require in the administration of this article. The [tax commission] COMMISSIONER may grant a reasonable extension of time for filing reports whenever good cause exists.

An automatic extension of six months for the filing of its annual report shall be allowed any taxpayer if, within the time prescribed by the preceding paragraph, such taxpayer files with the [tax commission] COMMISSIONER an application for extension in such form as [said commission] THE COMMISSIONER may prescribe by regulation and pays on or before the date of such filing the amount properly estimated as its tax.

S 10. Intentionally omitted.

S 11. Intentionally omitted.

S 12. Paragraph 1 of subsection (c) of section 658 of the tax law, as amended by chapter 760 of the laws of 1992, is amended to read as follows:

(1) Partnerships. Every partnership having a resident partner or having any income derived from New York sources, determined in accordance with the applicable rules of section six hundred thirty-one as in the case of a nonresident individual, shall make a return for the taxable year setting forth all items of income, gain, loss and deduction and such other pertinent information as the commissioner may by regulations and instructions prescribe. Such return shall be filed on or before the fifteenth day of the fourth month following the close of each taxable year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF EACH TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the due date for the return of a partnership consisting entirely of nonresident aliens shall be the date prescribed for the filing of its federal partnership return for the taxable year. For purposes of this paragraph, "taxable year" means a year or a period which would be a taxable year of the partnership if it were subject to tax under this article.

S 13. Subparagraph (A) of paragraph 3 of subsection (c) of section 658 of the tax law, as amended by section 18 of part U of chapter 61 of the laws of 2011, is amended to read as follows:

(A) Every subchapter K limited liability company, every limited liability company that is a disregarded entity for federal income tax purposes, and every partnership which has any income derived from New York sources, determined in accordance with the applicable rules of section six hundred thirty-one of this article as in the case of a nonresident individual, shall[, within sixty days after the last day of the taxable year,] ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF EACH TAXABLE YEAR make a payment of a filing fee. The amount of the filing fee is the amount set forth in subparagraph (B) of this paragraph. The minimum filing fee is twenty-five dollars for taxable years beginning in two thousand eight and thereafter. Limited liability companies that are disregarded entities for federal income tax purposes must pay a filing fee of twenty-five dollars for taxable years beginning on or after January first, two thousand eight.

S 14. Subsection (i) of section 1087 of the tax law, as added by chapter 188 of the laws of 1964, is amended to read as follows:

(i) Prepaid tax.--For purposes of this section, any tax paid by the taxpayer before the last day prescribed for its payment (including any amount paid by the taxpayer as estimated tax for a taxable year) shall be deemed to have been paid by it on the fifteenth day of the third month following the close of the taxable year the income of which is the basis for tax under article nine-a, [nine-b or nine-c,] or on the last day prescribed in article nine for the filing of a final return for such taxable year, or portion thereof, determined in all cases without regard to any extension of time granted the taxpayer, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR THE INCOME OF WHICH IS THE BASIS FOR TAX UNDER ARTICLE NINE-A, OR ON THE LAST DAY PRESCRIBED IN ARTICLE NINE FOR THE FILING OF A FINAL RETURN FOR SUCH TAXABLE YEAR, OR PORTION THEREOF, DETERMINED IN ALL CASES WITHOUT REGARD TO ANY EXTENSION OF TIME GRANTED THE TAXPAYER, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

S 15. Intentionally omitted.

S 16. Intentionally omitted.

S 17. Subdivision (a) of section 1515 of the tax law, as added by section 649 of the laws of 1974 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(a) Every taxpayer and every other foreign and alien insurance corporation having an employee, including any officer, in this state or having an agent or representative in this state, shall annually, on or before the fifteenth day of the third month following the close of its taxable year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF ITS TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the [tax commission] COMMISSIONER a return in a form prescribed by [it] THE COMMISSIONER setting forth such information as the [tax commission] COMMISSIONER may prescribe and every taxpayer which ceases to exercise its franchise or to be subject to the tax imposed by this article shall transmit to the [tax commission] COMMISSIONER a return on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require covering each year or period for which no return was theretofore filed. A copy of each return required under this subdivision shall also be transmitted to the superintendent of financial services at or before the times specified for filing such returns with the [tax commission] COMMISSIONER.

S 18. Subdivisions (a) and (b) of section 11-514 of the administrative code of the city of New York, subdivision (a) as amended by chapter 183 of the laws of 2009, are amended to read as follows:

(a) General. [On or before the fifteenth day of the fourth month following the close of a taxable year, an] AN unincorporated business income tax return shall be made and filed, and the balance of any tax shown on the face of such return, not previously paid as installments of estimated tax, shall be paid, ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF A TAXABLE YEAR FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF A TAXABLE YEAR FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN:

(1) by or for every unincorporated business, for taxable years beginning after nineteen hundred eighty-six but before nineteen hundred ninety-seven, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ten thousand dollars, or having any amount of unincorporated business taxable income;

(2) by or for every partnership, for taxable years beginning after nineteen hundred ninety-six but before two thousand nine, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than twenty-five thousand dollars, or having unincorporated business taxable income of more than fifteen thousand dollars;

(3) by or for every unincorporated business other than a partnership, for taxable years beginning after nineteen hundred ninety-six but before two thousand nine, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than seventy-five thousand dollars, or having unincorporated business taxable income of more than thirty-five thousand dollars; and

(4) by or for every unincorporated business, for taxable years beginning after two thousand eight, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ninety-five thousand dollars.

(b) Decedents. The return for any deceased individual shall be made and filed by his or her executor, administrator, or other person charged with his or her property. If a final return of a decedent is for a fractional part of a year, the due date of such return shall be, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, the fifteenth day of the fourth month following the close of the twelve-month period [which] THAT began with the first day of such fractional part of the year, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF THE TWELVE-MONTH PERIOD THAT BEGAN WITH THE FIRST DAY OF SUCH FRACTIONAL PART OF THE YEAR.

S 19. Subdivision (i) of section 11-527 of the administrative code of the city of New York is amended to read as follows:

(i) Prepaid tax. For purposes of this section, any tax paid by the taxpayer before the last day prescribed for its payment and any amount paid by the taxpayer as estimated tax for a taxable year shall be deemed to have been paid by the taxpayer, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on the fifteenth day of the fourth month following the close of his or her taxable year with respect to which such amount constitutes a credit or payment, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF HIS OR HER TAXABLE YEAR WITH RESPECT TO WHICH SUCH AMOUNT CONSTITUTES A CREDIT OR PAYMENT.

S 20. Paragraph (a) of subdivision 1 of section 11-653 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) For the privilege of doing business, or of employing capital, or of owning or leasing property in the city in a corporate or organized capacity, or of maintaining an office in the city, for all or any part of each of its fiscal or calendar years, every domestic or foreign corporation, except corporations specified in subdivision four of this section, shall annually pay a tax, upon the basis of its business income, or upon such other basis as may be applicable as hereinafter provided, for such fiscal or calendar year or part thereof, on a report [which] THAT shall be filed, except as hereinafter provided, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on or before the fifteenth day of March next succeeding the close of each such CALENDAR year, or, in the case of a taxpayer [which] THAT reports on the basis of a fiscal year, within two and one-half months after the close of EACH such fiscal year, AND FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON OR BEFORE THE FIFTEENTH DAY OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH CALENDAR YEAR, OR, IN THE CASE OF A TAXPAYER THAT REPORTS ON THE BASIS OF A FISCAL YEAR, WITHIN THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF EACH SUCH FISCAL YEAR, and shall be paid as hereinafter provided.

S 21. Subdivision 1 of section 11-655 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

1. Every corporation having an officer, agent or representative within the city, shall, annually on or before March fifteenth FOR TAXABLE YEARS

BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR BEFORE APRIL FIFTEENTH FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the commissioner of finance a report, in a form prescribed by the commissioner of finance [(except that a corporation which reports on the basis of a fiscal year shall transmit its report within two and one-half months after the close of its fiscal year)], setting forth such information as the commissioner of finance may prescribe, [and every] EXCEPT THAT A CORPORATION THAT REPORTS ON THE BASIS OF A FISCAL YEAR SHALL TRANSMIT SUCH REPORT, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR, AND, FOR TAXABLE YEARS BEGINNING AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, WITHIN THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR. EVERY taxpayer [which] THAT ceases to do business in the city or to be subject to the tax imposed by this subchapter shall transmit to the commissioner of finance a report on the date of such cessation or at such other time as the commissioner of finance may require covering each year or period for which no report was theretofore filed. Every taxpayer shall also transmit such other reports and such facts and information as the commissioner of finance may require in the administration of this subchapter. The commissioner of finance may grant a reasonable extension of time for filing reports whenever good cause exists.

An automatic extension of six months for the filing of its annual report shall be allowed any taxpayer if, within the time prescribed by the preceding paragraph, whichever is applicable, such taxpayer files with the commissioner of finance an application for extension in such form as the commissioner of finance may prescribe by regulation and pays on or before the date of such filing the amount properly estimated as its tax.

S 22. Intentionally omitted.

S 23. Intentionally omitted.

S 24. This act shall take effect immediately provided, however, that section five of this act shall take effect on the same date and in the same manner as section 26 of part S of chapter 59 of the laws of 2014, takes effect, and that section five of this act shall apply to taxable years beginning on or after January 1, 2018 and that section thirteen of this act shall apply to taxable years beginning on or after January 1, 2016.

PART R

Section 1. Subparagraph (iv) 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:

(iv) (A) for taxable years beginning before January first, two thousand sixteen, if the business income base is not more than two hundred ninety thousand dollars the amount shall be six and one-half percent of the business income base; if the business income base is more than two hundred ninety thousand dollars but not over three hundred ninety thousand dollars the amount shall be the sum of (1) eighteen thousand eight hundred fifty dollars, (2) seven and one-tenth percent of the excess of the business income base over two hundred ninety thousand dollars but not over three hundred ninety thousand dollars and (3) four and thirty-five hundredths percent of the excess of the business income base over three hundred fifty thousand dollars but not over three hundred ninety thousand dollars;

(B) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN FOUR HUNDRED THOUSAND DOLLARS THE AMOUNT SHALL BE FOUR PERCENT OF THE BUSINESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN FOUR HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS THE AMOUNT SHALL BE THE SUM OF (1) SIXTEEN THOUSAND DOLLARS, (2) SIX AND ONE-HALF PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS AND (3) TWENTY PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS;

(C) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND EIGHTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN FOUR HUNDRED THOUSAND DOLLARS THE AMOUNT SHALL BE TWO AND ONE-HALF PERCENT OF THE BUSINESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN FOUR HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS THE AMOUNT SHALL BE THE SUM OF (1) TEN THOUSAND DOLLARS, (2) SIX AND ONE-HALF PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS AND (3) THIRTY-TWO PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS.

S 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as added by section 1 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(39) (A) In the case of a taxpayer who is a small business OR A TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A SMALL BUSINESS, who OR WHICH has business income [and/or farm income] as defined in the laws of the United States, an amount equal to [three] FIVE percent of the net items of income, gain, loss and deduction attributable to such business [or farm] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand [thirteen] SIXTEEN, an amount equal to [three and three-quarters] TEN percent of the net items of income, gain, loss and deduction attributable to such business [or farm] entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand [fourteen] SEVENTEEN, and an amount equal to [five] FIFTEEN percent of the net items of income, gain, loss and deduction attributable to such business [or farm] entering into federal adjusted gross income, but not less than zero[, for taxable years beginning after two thousand fifteen].

(B) IN THE CASE OF A TAXPAYER WHO IS A FARM BUSINESS OR A TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A FARM BUSINESS, WHO OR WHICH HAS FARM INCOME AS DEFINED BY THE LAWS OF THE UNITED STATES, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE NET ITEMS OF INCOME, GAIN, LOSS AND DEDUCTION ATTRIBUTABLE TO SUCH FARM. THE TERM FARM BUSINESS SHALL MEAN A FARM BUSINESS THAT HAS NET FARM INCOME OF LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

(C) (I) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [or a farm business who employs one or more persons during the taxable year and] who has net business income [or net farm income] of less than [two hundred fifty] FIVE HUNDRED thousand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION THAT DURING THE TAXABLE YEAR HAS NEW YORK GROSS BUSI-

NESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN FIVE HUNDRED THOUSAND DOLLARS. (II) FOR PURPOSES OF THIS PARAGRAPH, THE TERM NEW YORK GROSS BUSINESS INCOME SHALL MEAN: (I) IN THE CASE OF A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, NEW YORK SOURCE GROSS INCOME AS DEFINED IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THIS ARTICLE, AND, (II) IN THE CASE OF A NEW YORK S CORPORATION, NEW YORK RECEIPTS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FACTOR DETERMINED UNDER SECTION TWO HUNDRED TEN-A OF ARTICLE NINE-A OF THIS CHAPTER FOR THE TAXABLE YEAR.

(D) TO QUALIFY FOR THIS MODIFICATION IN RELATION TO A NON-FARM SMALL BUSINESS THAT IS A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION, THE TAXPAYER'S INCOME ATTRIBUTABLE TO THE NET BUSINESS INCOME FROM ITS OWNERSHIP INTERESTS IN NON-FARM LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR NEW YORK S CORPORATIONS MUST BE LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

S 3. Paragraph 35 of subdivision (c) of section 11-1712 of the administrative code of the city of New York, as added by section 2 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(35) (A) In the case of a taxpayer who is a small business OR A TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A SMALL BUSINESS, who OR WHICH has business income [and/or farm income] as defined in the laws of the United States, an amount equal to [three] FIFTEEN percent of the net items of income, gain, loss and deduction attributable to such business [or farm] entering into federal adjusted gross income, but not less than zero[, for taxable years beginning after two thousand thirteen, an amount equal to three and three-quarters percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fourteen, and an amount equal to five percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fifteen].

(B) IN THE CASE OF A TAXPAYER WHO IS A FARM BUSINESS OR A TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A FARM BUSINESS, WHO OR WHICH HAS FARM INCOME AS DEFINED BY THE LAWS OF THE UNITED STATES, AN AMOUNT EQUAL TO TWENTY PERCENT OF THE NET ITEMS OF INCOME, GAIN, LOSS AND DEDUCTION ATTRIBUTABLE TO SUCH FARM. THE TERM FARM BUSINESS SHALL MEAN A FARM BUSINESS THAT HAS NET FARM INCOME OF LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

(C) (I) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [or a farm business who employs one or more persons during the taxable year and] who has net business income [or net farm income] of less than [two hundred fifty] FIVE HUNDRED thousand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION THAT DURING THE TAXABLE YEAR HAS NEW YORK GROSS BUSINESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN FIVE HUNDRED THOUSAND DOLLARS. (II) FOR PURPOSES OF THIS PARAGRAPH, THE TERM NEW YORK GROSS BUSINESS INCOME SHALL MEAN: (I) IN THE

CASE OF A LIMITED LIABILITY COMPANY OR A PARTNERSHIP, NEW YORK SOURCE GROSS INCOME AS DEFINED IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THE TAX LAW, AND, (II) IN THE CASE OF A NEW YORK S CORPORATION, NEW YORK RECEIPTS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FACTOR DETERMINED UNDER SECTION TWO HUNDRED TEN-A OF THE TAX LAW FOR THE TAXABLE YEAR.

(D) TO QUALIFY FOR THIS MODIFICATION IN RELATION TO A NON-FARM SMALL BUSINESS THAT IS A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION, THE TAXPAYER'S INCOME ATTRIBUTABLE TO THE NET BUSINESS INCOME FROM ITS OWNERSHIP INTERESTS IN NON-FARM LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR NEW YORK S CORPORATIONS MUST BE LESS THAN FIVE HUNDRED THOUSAND DOLLARS.

S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2017.

PART S

Section 1. Short title. This act shall be known and may be cited as the "education investment incentives act".

S 2. The tax law is amended by adding a new section 42 to read as follows:

S 42. EDUCATION INVESTMENT TAX CREDIT. (A) DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE SAME DEFINITION AS PROVIDED FOR IN ARTICLE TWENTY-FIVE OF THE EDUCATION LAW:

"AUTHORIZED CONTRIBUTION";
"CONTRIBUTION";
"EDUCATIONAL PROGRAM";
"EDUCATIONAL SCHOLARSHIP ORGANIZATION";
"ELIGIBLE PUPIL";
"LOCAL EDUCATION FUND";
"NONPUBLIC SCHOOL";
"PUBLIC EDUCATION ENTITY";
"PUBLIC SCHOOL";
"QUALIFIED CONTRIBUTION";
"QUALIFIED EDUCATOR";
"QUALIFIED SCHOOL";
"SCHOLARSHIP"; AND
"SCHOOL IMPROVEMENT ORGANIZATION".

(B) ALLOWANCE OF CREDIT. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED CREDIT AGAINST SUCH TAX, PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (L) OF THIS SECTION, WITH RESPECT TO QUALIFIED CONTRIBUTIONS MADE DURING THE TAXABLE YEAR.

(C) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE NINETY PERCENT OF THE TAXPAYER'S TOTAL QUALIFIED CONTRIBUTIONS, CAPPED AT ONE MILLION DOLLARS. A TAXPAYER THAT IS A PARTNER IN A PARTNERSHIP, MEMBER OF A LIMITED LIABILITY COMPANY OR SHAREHOLDER IN AN S CORPORATION SHALL BE ALLOWED TO CLAIM ITS PRO RATA SHARE OF THE CREDIT EARNED BY THE PARTNERSHIP, LIMITED LIABILITY COMPANY OR S CORPORATION, PROVIDED THAT SUCH A TAXPAYER SHALL NOT CLAIM CREDIT IN EXCESS OF THE LIMIT IMPOSED BY THE PRECEDING SENTENCE.

(D) INFORMATION TO BE POSTED ON THE DEPARTMENT'S WEBSITE. THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A RUNNING TOTAL OF THE AMOUNT OF AVAILABLE CREDIT FOR WHICH TAXPAYERS MAY APPLY PURSUANT TO THIS SECTION. SUCH RUNNING TOTAL SHALL BE UPDATED ON A DAILY BASIS. ADDITIONALLY, THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S

WEBSITE A LIST OF THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. THE COMMISSIONER SHALL ALSO MAINTAIN ON THE DEPARTMENT'S WEBSITE A LIST OF PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS WHOSE APPROVAL TO ISSUE CERTIFICATES OF RECEIPT HAS BEEN REVOKED ALONG WITH THE DATE OF REVOCATION.

(E) APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. PRIOR TO MAKING A CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, THE TAXPAYER SHALL APPLY TO THE DEPARTMENT FOR A CONTRIBUTION AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. SUCH APPLICATION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT MAY ALLOW TAXPAYERS TO MAKE MULTIPLE APPLICATIONS ON THE SAME FORM, PROVIDED THAT EACH CONTRIBUTION LISTED ON SUCH APPLICATION SHALL BE TREATED AS A SEPARATE APPLICATION AND THAT THE DEPARTMENT SHALL ISSUE SEPARATE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR EACH SUCH APPLICATION.

(F) CONTRIBUTION AUTHORIZATION CERTIFICATES. 1. ISSUANCE OF CERTIFICATES. THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES IN TWO PHASES. IN PHASE ONE, WHICH BEGINS ON THE FIRST DAY OF JANUARY AND ENDS ON THE THIRTY-FIRST DAY OF JANUARY, THE COMMISSIONER SHALL ACCEPT APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. COMMENCING AFTER THE FIFTH DAY OF FEBRUARY, THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE, PROVIDED THAT IF THE AGGREGATE TOTAL OF THE CONTRIBUTIONS FOR WHICH APPLICATIONS HAVE BEEN RECEIVED DURING PHASE ONE EXCEEDS THE AMOUNT OF THE CREDIT CAP IN SUBDIVISION (H) OF THIS SECTION, THEN PHASE ONE OF THE CREDIT CAP APPLICATION SHALL BE ALLOCATED IN TWO STEPS. IN STEP ONE, THE ALLOCATION SHALL EQUAL THE CONTRIBUTION CAP DIVIDED BY THE TOTAL NUMBER OF APPLICATIONS FOR CONTRIBUTIONS, ROUNDED DOWN TO THE NEAREST CENT. EACH APPLICATION REQUESTING AN AMOUNT WHICH IS LESS THAN OR EQUAL TO THE ALLOCATION IN STEP ONE SHALL RECEIVE THE AMOUNT ON THEIR APPLICATION FOR CONTRIBUTION AND THE DIFFERENCE, WHICH SHALL BE REFERRED TO AS "EXCESS DISTRIBUTIONS" FOR THE PURPOSES OF THIS SUBDIVISION, SHALL BE AVAILABLE FOR ALLOCATION IN STEP TWO. EACH APPLICATION REQUESTING AN AMOUNT WHICH EXCEEDS THE ALLOCATION IN STEP ONE SHALL BE ALLOCATED CREDITS IN STEP TWO. IN STEP TWO, IF EXCESS DISTRIBUTIONS EQUAL ZERO THEN EACH APPLICATION SHALL RECEIVE THE ALLOCATION AMOUNT FROM STEP ONE, OTHERWISE EACH APPLICATION SHALL RECEIVE AN AMOUNT EQUAL TO THE SUM OF THE (I) THE ALLOCATION AMOUNT IN STEP ONE AND (II) A PRO RATA SHARE OF AGGREGATE EXCESS DISTRIBUTIONS BASED ON THE DIFFERENCE BETWEEN THE AMOUNT ON THEIR APPLICATION FOR CONTRIBUTION AND THE ALLOCATION IN STEP ONE. FOR THE PURPOSES OF THIS SUBDIVISION, MULTIPLE APPLICATIONS BY THE SAME TAXPAYER SHALL BE TREATED AS ONE APPLICATION. IF THE CREDIT CAP IS NOT EXCEEDED, PHASE TWO COMMENCES ON FEBRUARY TWENTIETH AND ENDS ON OCTOBER THIRTY-FIRST. DURING PHASE TWO THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES ON A FIRST-COME FIRST SERVE BASIS BASED UPON THE DATE THE DEPARTMENT RECEIVED THE TAXPAYER'S APPLICATION FOR SUCH CERTIFICATE. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE SHALL BE MAILED NO LATER THAN THE TWENTIETH DAY OF FEBRUARY. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE TWO SHALL BE MAILED WITHIN FIVE DAYS OF RECEIPT OF SUCH APPLICATIONS.

2. CONTRIBUTION AUTHORIZATION CERTIFICATE CONTENTS. EACH CONTRIBUTION AUTHORIZATION CERTIFICATE SHALL STATE (I) THE DATE SUCH CERTIFICATE WAS ISSUED, (II) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED ON THE CERTIFICATE MUST BE MADE, WHICH SHALL BE NO LATER THAN DECEMBER THIRTY-FIRST OF THE YEAR FOR WHICH THE CONTRIBUTION AUTHORIZATION CERTIFICATE WAS ISSUED, (III) THE AMOUNT OF AUTHORIZED CONTRIBUTION, (IV) THE CERTIFICATE NUMBER, (V) THE TAXPAYER'S NAME AND ADDRESS, (VI) THE NAME AND ADDRESS OF THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO WHICH THE TAXPAYER MAY MAKE THE AUTHORIZED CONTRIBUTION, AND (VII) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

3. NOTIFICATION OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE. UPON THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER, THE COMMISSIONER SHALL NOTIFY THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION OF THE ISSUANCE OF SUCH CONTRIBUTION AUTHORIZATION CERTIFICATE. SUCH NOTIFICATION SHALL INCLUDE (I) THE TAXPAYER'S NAME AND ADDRESS, (II) THE DATE SUCH CERTIFICATE WAS ISSUED, (III) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE NOTIFICATION MUST BE MADE BY THE TAXPAYER, (IV) THE AMOUNT OF THE AUTHORIZED CONTRIBUTION, (V) THE CONTRIBUTION AUTHORIZATION CERTIFICATE'S CERTIFICATE NUMBER, AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

(G) CERTIFICATE OF RECEIPT. 1. IN GENERAL. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR ANY CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR A CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS RECEIVED NOTICE FROM THE DEPARTMENT THAT THE DEPARTMENT ISSUED A CONTRIBUTION AUTHORIZATION CERTIFICATE TO THE TAXPAYER FOR SUCH CONTRIBUTION.

2. TIMELY CONTRIBUTION. IF A TAXPAYER MAKES AN AUTHORIZED CONTRIBUTION TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SET FORTH ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER NO LATER THAN THE DATE BY WHICH SUCH AUTHORIZED CONTRIBUTION IS REQUIRED TO BE MADE, SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF RECEIPT OF THE AUTHORIZED CONTRIBUTION, ISSUE TO THE TAXPAYER A CERTIFICATE OF RECEIPT; PROVIDED, HOWEVER, THAT IF THE TAXPAYER CONTRIBUTES AN AMOUNT THAT IS LESS THAN THE AMOUNT LISTED ON THE TAXPAYER'S CONTRIBUTION AUTHORIZATION CERTIFICATE, THE TAXPAYER SHALL NOT BE ISSUED A CERTIFICATE OF RECEIPT FOR SUCH CONTRIBUTION.

3. CERTIFICATE OF RECEIPT CONTENTS. EACH CERTIFICATE OF RECEIPT SHALL STATE (I) THE NAME AND ADDRESS OF THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, (II) THE TAXPAYER'S NAME AND ADDRESS, (III) THE DATE FOR EACH CONTRIBUTION, (IV) THE AMOUNT OF EACH CONTRIBUTION AND THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER, (V) THE

TOTAL AMOUNT OF CONTRIBUTIONS, (VI) CERTIFICATE OF RECEIPT NUMBER AND (VII) ANY OTHER INFORMATION THAT THE COMMISSIONER MAY DEEM NECESSARY.

4. NOTIFICATION TO THE DEPARTMENT FOR THE ISSUANCE OF A CERTIFICATE OF RECEIPT. UPON THE ISSUANCE OF A CERTIFICATE OF RECEIPT, THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF ISSUING THE CERTIFICATE OF RECEIPT, PROVIDE THE DEPARTMENT WITH NOTIFICATION OF THE ISSUANCE OF SUCH CERTIFICATE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

5. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (F) OF THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE DEPARTMENT FOR EACH TAXPAYER THAT FAILED TO MAKE THE AUTHORIZED CONTRIBUTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

6. FAILURE TO NOTIFY THE DEPARTMENT. WITHIN THIRTY DAYS OF THE DISCOVERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT PROGRAM, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE OF COMPLIANCE FAILURE TO SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION. SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, PROGRAM, FUND, OR ORGANIZATION. UPON THE EXPIRATION OF PERIOD FOR COMPLIANCE SET FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL NOTIFY THE BOARD OF REGENTS AND THE COMMISSIONER OF EDUCATION THAT SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION FAILED TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION.

(H) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS FOR CALENDAR YEAR TWO THOUSAND SEVENTEEN SHALL BE ONE HUNDRED FIFTY MILLION DOLLARS. IN CALENDAR YEAR TWO THOUSAND EIGHTEEN, THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE TWO HUNDRED TWENTY-FIVE MILLION DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. FOR CALENDAR YEAR TWO THOUSAND NINETEEN AND EACH CALENDAR YEAR THEREAFTER, THE MAXIMUM PERMITTED CREDITS AVAILABLE TO ALL TAXPAYERS SHALL BE THREE HUNDRED MILLION DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION FOR QUALIFIED CONTRIBUTIONS SHALL BE ALLOCATED FIFTY PERCENT TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, AND LOCAL EDUCATION FUNDS AND FIFTY PERCENT TO EDUCATIONAL SCHOLARSHIP ORGANIZATIONS.

(I) ADDITIONS TO CREDIT CAP. UNISSUED CERTIFICATES OF RECEIPT. ANY AMOUNTS FOR WHICH THE DEPARTMENT RECEIVES NOTIFICATION OF NON-ISSUANCE OF A CERTIFICATE OF RECEIPT SHALL BE ADDED TO THE CAP PRESCRIBED IN SUBDIVISION (H) OF THIS SECTION FOR THE IMMEDIATELY FOLLOWING YEAR.

(J) REGULATIONS. THE COMMISSIONER IS HEREBY AUTHORIZED TO PROMULGATE AND ADOPT ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION.

(K) WRITTEN REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR EACH CALENDAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE EDUCATION INVESTMENT TAX CREDIT. SUCH REPORT SHALL CONTAIN INFORMATION FOR ARTICLES NINE-A AND TWENTY-TWO, RESPECTIVELY, REGARDING: (I) THE NUMBER OF APPLICATIONS RECEIVED; (II) THE NUMBER OF AND AGGREGATE VALUE OF THE CONTRIBUTION AUTHORIZATION CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND SCHOLARSHIP ORGANIZATIONS, RESPECTIVELY; (III) THE GEOGRAPHICAL DISTRIBUTION BY COUNTY OF (A) THE APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES, DISTRIBUTION BY COUNTY OF (B) THE PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS LISTED ON THE ISSUED CONTRIBUTION AUTHORIZATION CERTIFICATES; AND (IV) INFORMATION, INCLUDING GEOGRAPHICAL DISTRIBUTION BY COUNTY, OF THE NUMBER OF ELIGIBLE PUPILS THAT RECEIVED SCHOLARSHIPS, THE NUMBER OF QUALIFIED SCHOOLS ATTENDED BY ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND DESIGNATED EMPLOYEES OF THE DEPARTMENT, THE BOARD OF REGENTS, THE COMMISSIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE STATE EDUCATION DEPARTMENT, SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE INFORMATION REGARDING THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS; AND THE PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AUTHORIZED TO ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR DERIVED FROM APPLICATION FORMS AND REPORTS SUBMITTED TO THE EDUCATION DEPARTMENT OR BOARD OF REGENTS.

(L) CROSS REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

1. ARTICLE 9-A: SECTION 210-B; SUBDIVISION 49;

2. ARTICLE 22: SECTION 606; SUBSECTIONS (I) AND (CCC).

S 3. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) THE AMOUNT OF ANY DEDUCTION ALLOWED PURSUANT TO SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE FOR WHICH A CREDIT IS CLAIMED PURSUANT TO SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B OF THIS ARTICLE.

S 4. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. EDUCATION INVESTMENT TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) OR (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR QUALIFIED

CONTRIBUTIONS FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 5. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xli) to read as follows:

(XLI) EDUCATION INVESTMENT TAX CREDIT UNDER SUBSECTION (CCC)	AMOUNT OF CREDIT UNDER SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B

S 6. Section 606 of the tax law is amended by adding two new subsections (w) and (w-1) to read as follows:

(W) HOME-BASED INSTRUCTIONAL MATERIALS CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR THE PURCHASE OF INSTRUCTIONAL MATERIALS APPROVED BY THE EDUCATION DEPARTMENT OR BOARD OF REGENTS FOR USE IN NON-PUBLIC HOME-BASED EDUCATIONAL PROGRAMS; PROVIDED, THAT THE AMOUNT OF CREDIT CLAIMED DOES NOT EXCEED THE LESSER OF TWO HUNDRED DOLLARS OR ONE HUNDRED PERCENT OF THE COST OF SUCH PURCHASES MADE BY THE TAXPAYER DURING THE TAXABLE YEAR.

(2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH 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, THAT NO INTEREST SHALL BE PAID THEREON.

(W-1) INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. (1) FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT EQUAL TO THE LESSER OF THE AMOUNT PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR INSTRUCTIONAL MATERIALS AND SUPPLIES, OR TWO HUNDRED DOLLARS; PROVIDED THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR IN A QUALIFIED SCHOOL, AS DEFINED IN SECTION FORTY-TWO OF THIS CHAPTER, FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR. FOR PURPOSES OF THIS SUBSECTION, THE TERM "MATERIALS AND SUPPLIES" MEANS INSTRUCTIONAL MATERIALS OR SUPPLIES THAT ARE USED IN THE CLASSROOM IN ANY QUALIFIED SCHOOL.

(2) A HUSBAND AND WIFE WHO FILE SEPARATE RETURNS FOR A TAXABLE YEAR IN WHICH THEY COULD HAVE FILED A JOINT RETURN MAY EACH CLAIM ONLY ONE-HALF OF THE TAX CREDIT THAT WOULD HAVE BEEN ALLOWED FOR A JOINT RETURN.

(3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH 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, THAT NO INTEREST SHALL BE PAID THEREON.

(4) THE MAXIMUM AMOUNT OF CREDIT THAT SHALL BE ALLOWED ANNUALLY UNDER THIS SUBSECTION SHALL BE TEN MILLION DOLLARS. IN ORDER TO CLAIM A CREDIT UNDER THIS SUBSECTION, A TAXPAYER SHALL BE REQUIRED TO APPLY TO THE DEPARTMENT FOR APPROVAL DURING THE TAXABLE YEAR. THE TAXPAYER SHALL BE REQUIRED TO SUBMIT DOCUMENTATION DEMONSTRATING THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR AS REQUIRED UNDER THIS SUBSECTION AND THAT THE TAXPAYER PURCHASED MATERIALS AND SUPPLIES. THE DEPARTMENT SHALL REVIEW THE APPLICATION AND PROVIDE A TAXPAYER WITH A CERTIFICATE THAT SPECIFIES HOW MUCH CREDIT THE TAXPAYER IS ENTITLED TO CLAIM. IF REQUIRED BY THE COMMISSIONER, THE TAXPAYER MUST SUBMIT THAT CERTIFICATE WITH HIS OR HER

TAX RETURN. THE COMMISSIONER SHALL ALLOCATE THE CREDITS ON A FIRST COME FIRST SERVED BASIS AND PRESCRIBE THE NECESSARY PROCEDURES FOR REVIEWING THE APPLICATIONS AND PRODUCING THE CERTIFICATES.

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

(CCC) EDUCATION INVESTMENT TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY QUALIFIED CONTRIBUTIONS FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE SUCCEEDING FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 8. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR CONTRIBUTIONS MADE FOR WHICH A TAXPAYER CLAIMS A CREDIT UNDER SUBSECTION (CCC) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE.

S 9. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25

EDUCATION INVESTMENT TAX CREDIT PROGRAM

SECTION 1209. SHORT TITLE.
1210. DEFINITIONS.
1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1213. APPLICATION APPROVAL.
1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1215. RECORDKEEPING.
1216. JOINT ANNUAL REPORT.
1217. COMMISSIONER; POWERS.

S 1209. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "EDUCATION INVESTMENT TAX CREDIT PROGRAM".

S 1210. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO A TAXPAYER.

2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD MADE BY THE TAXPAYER DURING THE TAX YEAR.

3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC PROGRAM OF A PUBLIC SCHOOL THAT ENHANCES THE CURRICULUM, OR PROVIDES OR EXPANDS A PRE-KINDERGARTEN PROGRAM OR AN AFTER-SCHOOL PROGRAM TO THE PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERIALS, PROGRAMS OR OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (A) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (B) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUNSELING; OR (C) USE OF SPECIALIZED INSTRUCTIONAL MATERIALS, INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY WHICH (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION

(C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (B) COMMITS FOR THE EXPENDITURE OF AT LEAST NINETY PERCENT OF THE REVENUE FROM QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS FOR SCHOLARSHIPS, (C) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (D) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT NO FEWER THAN THREE QUALIFIED SCHOOLS.

5. "ELIGIBLE PUPIL" MEANS A CHILD WHO (A) IS A RESIDENT OF THIS STATE, (B) IS SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER OR WHO IS FOUR YEARS OF AGE ON OR BEFORE DECEMBER FIRST OF THE YEAR IN WHICH THEY ARE ENROLLED IN A PRE-KINDERGARTEN PROGRAM, (C) ATTENDS OR IS ABOUT TO ATTEND A QUALIFIED SCHOOL, AND (D) RESIDES IN A HOUSEHOLD THAT HAS A FEDERAL ADJUSTED GROSS INCOME OF FIVE HUNDRED THOUSAND DOLLARS OR LESS, PROVIDED HOWEVER, FOR HOUSEHOLDS WITH THREE OR MORE DEPENDENT CHILDREN, SUCH INCOME LEVEL SHALL BE INCREASED BY TEN THOUSAND DOLLARS PER DEPENDENT CHILD IN EXCESS OF TWO, NOT TO EXCEED FIVE HUNDRED FIFTY THOUSAND DOLLARS.

6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY WHICH (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (B) IS ESTABLISHED FOR THE PURPOSE OF SUPPORTING AN EDUCATIONAL PROGRAM IN AT LEAST ONE PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT, (C) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS TO SUPPORT THE PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT, AND (D) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE.

7. "NONPUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN PROGRAM OR ELEMENTARY, SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL LOCATED IN THIS STATE, OTHER THAN A PUBLIC SCHOOL, THAT IS PROVIDING INSTRUCTION AT ONE OR MORE LOCATIONS TO A STUDENT IN ACCORDANCE WITH SUBDIVISION TWO OF SECTION THIRTY-TWO HUNDRED FOUR OF THIS CHAPTER.

8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL OR A PUBLIC SCHOOL DISTRICT, PROVIDED THAT SUCH PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE GUARANTEED BY ARTICLE ELEVEN OF THE CONSTITUTION OR CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THIS CHAPTER.

10. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY A TAXPAYER TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT IS LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER AND FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT FROM SUCH ENTITY, FUND, OR ORGANIZATION. A CONTRIBUTION DOES NOT QUALIFY IF THE TAXPAYER DESIGNATES THE TAXPAYER'S CONTRIBUTION TO AN ENTITY OR ORGANIZATION FOR THE DIRECT BENEFIT OF ANY PARTICULAR OR SPECIFIED STUDENT.

11. "QUALIFIED EDUCATOR" MEANS AN INDIVIDUAL WHO IS A TEACHER OR INSTRUCTOR IN A QUALIFIED SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING A SCHOOL YEAR.

12. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NONPUBLIC SCHOOL.

13. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP WHICH PROVIDES A TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL IN AN AMOUNT NOT TO EXCEED THE TUITION CHARGED TO ATTEND SUCH SCHOOL LESS ANY OTHER EDUCATIONAL SCHOLARSHIP RECEIVED BY SUCH ELIGIBLE PUPIL OR HIS OR HER PARENT, PARENTS OR GUARDIAN FOR SUCH ELIGIBLE PUPIL'S TUITION; PROVIDED, HOWEVER, IN THE CASE OF AN ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL IN A PUBLIC SCHOOL DISTRICT OF WHICH SUCH PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER LESS ANY OTHER EDUCATIONAL SCHOLARSHIP RECEIVED BY SUCH ELIGIBLE PUPIL OR HIS OR HER PARENT, PARENTS OR GUARDIAN FOR SUCH ELIGIBLE PUPIL'S TUITION, BUT ONLY IF THE PUBLIC SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

14. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY WHICH (I) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE, (II) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE, (III) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, AND (IV) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. SUCH ENTITY MAY ALLOW THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM, PROJECT OR INITIATIVE IDENTIFIED BY A QUALIFIED EDUCATOR FOR USE IN A PUBLIC SCHOOL.

S 1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS. ALL PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS SHALL BE APPROVED TO ISSUE CERTIFICATES OF RECEIPT PROVIDED, THAT A PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT SHALL NOT BE APPROVED IF EITHER (A) THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT FAILS TO DEPOSIT AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE SCHOOL OR SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE, OR (B) THE BOARD OF REGENTS HAS REVOKED SUCH APPROVAL FOR SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT PURSUANT TO SECTION TWELVE HUNDRED FOURTEEN OF THIS ARTICLE.

2. SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS. NO SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION OR LOCAL EDUCATION FUND SHALL ISSUE ANY CERTIFICATES OF RECEIPT WITHOUT FILING AN APPLICATION PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND RECEIVING APPROVAL PURSUANT TO SECTION TWELVE HUNDRED THIRTEEN OF THIS ARTICLE.

S 1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION, AND LOCAL EDUCATION FUND SHALL SUBMIT AN APPLICATION TO THE BOARD

OF REGENTS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND MANNER PRESCRIBED BY THE BOARD; PROVIDED THAT SUCH APPLICATION SHALL INCLUDE: (A) SUBMISSION OF DOCUMENTATION THAT SUCH SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE; (B) THE MOST RECENT ANNUAL FINANCIAL AUDIT, WHICH SHALL BE COMPLETED BY AN INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT AND A LIST OF NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF THE SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION; AND (C) AN EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL PROVIDE CRITERIA FOR THE AWARDING OF SCHOLARSHIPS TO ELIGIBLE STUDENTS. THE BOARD OF REGENTS, COMMISSIONER OR DEPARTMENT SHALL NOT REQUIRE ANY OTHER INFORMATION FOR SUCH APPLICATION EXCEPT AS AUTHORIZED IN THIS ARTICLE OR BY SECTION FORTY-TWO OF THE TAX LAW.

S 1213. APPLICATION APPROVAL. THE BOARD OF REGENTS SHALL REVIEW EACH APPLICATION TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. APPROVAL OR DENIAL OF AN APPLICATION SHALL BE MADE AT THE NEXT SCHEDULED MEETING OF THE BOARD OF REGENTS THAT FOLLOWS THE RECEIPT OF SUCH APPLICATION, BUT NOT LATER THAN THE NEXT MEETING THEREAFTER.

S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE BOARD OF REGENTS, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS VIOLATED THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW. THESE VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING: (A) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW, (B) THE FAILURE TO MAINTAIN FULL AND ADEQUATE RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS, (C) THE FAILURE TO SUPPLY SUCH RECORDS TO THE COMMISSIONER, DEPARTMENT OF TAXATION AND FINANCE OR BOARD OF REGENTS WHEN REQUESTED BY THE DEPARTMENT OR BOARD, OR (D) THE FAILURE TO PROVIDE NOTICE TO THE DEPARTMENT OF TAXATION AND FINANCE OF THE ISSUANCE OR NONISSUANCE OF CERTIFICATES OF RECEIPT PURSUANT TO SECTION FORTY-TWO OF THE TAX LAW; PROVIDED HOWEVER, THAT THE BOARD OF REGENTS SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION BASED UPON A VIOLATION OF THE TAX LAW UNLESS THE COMMISSIONER OF TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED FURTHER THAT THE BOARD SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION WHEN THE FAILURE TO COMPLY IS DUE TO CLERICAL ERROR AND NOT NEGLIGENCE OR INTENTIONAL DISREGARD FOR THE LAW. WITHIN FIVE DAYS OF THE DETERMINATION REVOKING APPROVAL, THE BOARD SHALL PROVIDE NOTICE OF SUCH REVOCATION TO THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE.

S 1215. RECORDKEEPING. EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT ISSUED AT LEAST ONE CERTIFICATE OF RECEIPT SHALL MAINTAIN RECORDS INCLUDING (A) NOTIFICATIONS RECEIVED FROM THE DEPARTMENT OF TAXATION AND FINANCE, (B) NOTIFICATIONS MADE TO THE DEPARTMENT OF TAXATION AND FINANCE, (C) COPIES OF QUALIFIED CONTRIBUTIONS RECEIVED, (D) COPIES OF THE DEPOSIT OF SUCH QUALIFIED CONTRIBUTIONS, (E) COPIES OF ISSUED CERTIFICATES OF RECEIPT, (F) ANNUAL FINANCIAL STATEMENTS, (G) IN THE CASE OF SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS, THE

APPLICATION SUBMITTED PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND THE APPROVAL ISSUED BY THE BOARD OF REGENTS, AND (H) ANY OTHER INFORMATION AS PRESCRIBED BY REGULATION PROMULGATED BY THE COMMISSIONER OR RULE PROMULGATED BY THE BOARD OF REGENTS.

S 1216. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR EACH CALENDAR YEAR, THE COMMISSIONER OF TAXATION AND FINANCE AND THE COMMISSIONER, JOINTLY, SHALL SUBMIT A WRITTEN REPORT AS PROVIDED IN SUBDIVISION (K) OF SECTION FORTY-TWO OF THE TAX LAW.

S 1217. COMMISSIONER; POWERS. THE COMMISSIONER SHALL PROMULGATE ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. THE COMMISSIONER SHALL MAKE ANY APPLICATION REQUIRED TO BE FILED PURSUANT TO THIS ARTICLE AVAILABLE TO APPLICANTS WITHIN SIXTY DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE.

S 10. The education law is amended by adding a new section 1503-a to read as follows:

S 1503-A. POWER TO ACCEPT AND SOLICIT GIFTS AND DONATIONS. 1. ALL SCHOOL DISTRICTS ORGANIZED BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS OF A GENERAL LAW ARE HEREBY AUTHORIZED AND EMPOWERED TO ACCEPT GIFTS, DONATIONS, AND CONTRIBUTIONS TO THE DISTRICT AND TO SOLICIT THE SAME.

2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR OF ANY OTHER GENERAL OR SPECIAL LAW TO THE CONTRARY, THE RECEIPT OF SUCH GIFTS, DONATIONS, CONTRIBUTIONS AND OTHER FUNDS, AND ANY INCOME DERIVED THEREFROM, SHALL BE DISREGARDED FOR THE PURPOSES OF ALL APPORTIONMENTS, COMPUTATIONS, AND DETERMINATIONS OF STATE AID.

S 11. Severability. If any provision of this section or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the section which can be given effect without the invalid provision or application, and to this end the provisions of this section are declared to be severable.

S 12. This act shall take effect immediately and shall apply to taxable years beginning after December 31, 2016.

PART T

Intentionally Omitted

PART U

Section 1. Section 19 of Part W-1 of chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, as amended by section 1 of part V of chapter 59 of the laws of 2014, is amended to read as follows:

S 19. This act shall take effect immediately; provided, however, that sections one through thirteen of this act shall take effect September 1, 2006 and shall be deemed repealed on September 1, [2016] 2021 and such repeal shall apply in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law, and shall apply to sales made, fuel compounded or manufactured, and uses occurring on or after such date, and with respect to sections seven through eleven of this act, in accordance with applicable transitional provisions of sections 1106 and 1217 of the tax law; provided, however, that the commissioner of taxation and finance shall be authorized on and after the date this act shall have become a law to adopt and amend any rules or regulations and to take any steps necessary to implement the

provisions of this act; provided further that sections fourteen through sixteen of this act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006.

S 2. This act shall take effect immediately.

PART V

Section 1. Section 37 of the tax law, as added by chapter 109 of the laws of 2012, subdivision (c) as amended by section 52 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

S 37. [Beer] ALCOHOLIC BEVERAGE production credit. (a) General. A taxpayer subject to tax under article nine-A or twenty-two of this chapter, that is registered as a distributor under article eighteen of this chapter, and that produces sixty million or fewer gallons of beer OR CIDER, TWENTY MILLION OR FEWER GALLONS OF WINE, OR EIGHT HUNDRED THOUSAND OR FEWER GALLONS OF LIQUOR in this state in the taxable year, shall be allowed a credit against such taxes in the amount specified in subdivision (b) of this section and pursuant to the provisions referenced in subdivision (c) of this section. Provided, however, that no credit shall be allowed for any beer, CIDER, WINE OR LIQUOR produced in excess of fifteen million five hundred thousand gallons in the taxable year. If the taxpayer is a partner in a partnership or shareholder of a New York S corporation, then the cap imposed by the preceding sentence shall be applied at the entity level, so that the aggregate credit allowed to all the partners or shareholders of each such entity in the taxable year does not exceed that cap.

(b) The amount of the credit per taxpayer per taxable year (or pro rata share of earned credit in the case of a partnership) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state [on or after April first, two thousand twelve] shall be determined as follows:

(1) for the first five hundred thousand gallons of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year, the credit shall equal fourteen cents per gallon; and

(2) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year in excess of five hundred thousand gallons, the credit shall equal four and one-half cents per gallon.

(c) Cross-references. For application of the credit provided for in this section, see the following provisions of this chapter:

(1) Article 9-A: Section 210-B, subdivision 39.

(2) Article 22: Section 606, subsections (i) and (uu).

S 2. Subdivision 39 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:

39. [Beer] ALCOHOLIC BEVERAGE production credit. A taxpayer shall be allowed a credit, to be computed as provided in section thirty-seven of this chapter, against the tax imposed by this article. In no event shall the credit allowed under this subdivision for any taxable year 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 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 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 3. Subdivision 3 of section 420 of the tax law, as amended by chapter 94 of the laws of 1934, is amended to read as follows:

3. "Alcoholic beverages" mean and include CIDERS, AS DEFINED BY THE ALCOHOLIC BEVERAGE CONTROL LAW, beers, wines or liquors.

S 4. Section 424 of the tax law is amended by adding a new subdivision 6 to read as follows:

6. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THERE SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER THIS ARTICLE, ALCOHOLIC BEVERAGES FURNISHED BY A LICENSED PRODUCER OF ALCOHOLIC BEVERAGES AT NO CHARGE TO A CUSTOMER OR PROSPECTIVE CUSTOMER AT A TASTING HELD IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGE CONTROL LAW FOR CONSUMPTION AT SUCH TASTING.

S 5. Clause (xxxiv) of subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, as amended by section 68 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(xxxiv) [Beer] ALCOHOLIC BEVERAGE production credit under subsection (uu)	Amount of credit under subdivision thirty-nine of section two hundred ten-B

S 6. Subsection (uu) of section 606 of the tax law, as added by chapter 109 of the laws of 2012, is amended to read as follows:

(uu) [Beer] ALCOHOLIC BEVERAGE production credit. A taxpayer shall be allowed a credit, to be computed as provided in section thirty-seven of this chapter, against the tax imposed by this article. If the amount of the credit allowed under this subsection for any taxable year shall exceed the taxpayer's tax for such 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, that no interest shall be paid thereon.

S 7. Subdivision 13 of section 1118 of the tax law, as added by section 2 of part U of chapter 59 of the laws of 2015, is amended 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] PRODUCER OF ALCOHOLIC BEVERAGES 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 8. This act shall take effect immediately, provided, however, that: sections one, two, five and six of this act shall apply to taxable years beginning on or after January 1, 2016; sections three and four of this act shall apply to taxable periods beginning on or after April 1, 2016; and section seven of this act shall apply to uses occurring on and after June 1, 2016.

PART W

Intentionally Omitted

PART X

Section 1. Paragraph 2 of subdivision (e) of section 1105 of the tax law, as amended by section 1 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

(2) Except as provided in subdivision (r) of section eleven hundred eleven of this part, when occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, the separate sale of which is not subject to tax under this article, AND THE RENT PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE, the entire consideration shall be treated as rent subject to tax under paragraph one of this subdivision; provided, however, that where the amount of the rent for occupancy is stated separately from the price of such property, services, amusement charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such rent is reasonable in relation to the value of such property, services, amusement charges or other items, only such separately stated rent will be subject to tax under paragraph one of this subdivision.

S 2. Section 1115 of the tax law is amended by adding a new subdivision (kk) to read as follows:

(KK) RENT PAID BY A ROOM REMARKETER TO AN OPERATOR THAT IS NOT A ROOM REMARKETER FOR AN OCCUPANCY THAT THE ROOM REMARKETER INTENDS TO PROVIDE TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE HOTEL UNIT FEE IMPOSED BY SECTION ELEVEN HUNDRED FOUR OF THIS ARTICLE AND THE TAX IMPOSED BY SUBDIVISION (E) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE, PROVIDED THAT SUCH ROOM REMARKETER FURNISHES SUCH OPERATOR A CERTIFICATE IN SUCH FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSIONER. THE EXEMPTION CERTIFICATE PROVIDED FOR BY THIS SUBDIVISION SHALL BE ADMINISTERED BY THE COMMISSIONER IN CONFORMITY WITH THE RULES FOR EXEMPTION OR RESALE CERTIFICATES IN SUBPARAGRAPH (I) OF PARAGRAPH ONE OF SUBDIVISION (C) OF SECTION ELEVEN HUNDRED THIRTY-TWO OF THIS ARTICLE.

S 3. Paragraph 4 of subdivision a of section 11-2502 of the administrative code of the city of New York, as amended by section 4 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

(4) (i) When occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, the separate sale of which is not subject to tax under this chapter, AND THE RENT PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN SUBDIVISION 1 OF THIS SECTION, the entire consideration shall be treated as rent subject to tax under paragraph one of this subdivision; provided, however, that where the amount of the rent for occupancy is stated separately from the price of such property, services, amusement charges or other items on any sales slip, invoice, receipt, or other statement given the occupant and such rent is reasonable in relation to the value of such property, services, amusement charges, or other items, only such separately stated rent will be subject to tax under this subdivision.

(ii) In regard to the collection of tax on occupancies by remarketers, when occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, whether or not such other items are taxable, the rent portion of the consideration for such sale shall be computed as follows: the total consideration for the sale multiplied by a fraction, the numerator of which shall be the consideration paid to the hotel for the occupancy and the denominator of which shall be the consideration paid to the hotel for the occupancy plus the consideration paid to the providers of the other items being sold, or by any other reasonable method pursuant to which the rent portion of consideration would be no less than the computation of rent portion of consideration under subparagraph (i) of this paragraph. Nothing herein shall be construed to subject to tax or exempt from tax any service or

property or amusement charge or other items otherwise subject to tax or exempt from tax under this chapter.

S 4. Section 11-2502 of the administrative code of the city of New York is amended by adding a new subdivision 1 to read as follows:

1. AN OCCUPANCY THAT AN OPERATOR CONVEYS OR FURNISHES TO A ROOM REMARKETER THAT THE ROOM REMARKETER INTENDS TO CONVEY OR FURNISH, DIRECTLY OR INDIRECTLY, TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE TAXES IMPOSED BY THIS SECTION, PROVIDED THAT SUCH ROOM REMARKETER FURNISHES THE OPERATOR WITH A CERTIFICATE IN SUCH FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSIONER OF FINANCE. THE OPERATOR SHALL RETAIN SUCH STATEMENT AND PROVIDE IT TO THE COMMISSIONER OF FINANCE UPON REQUEST.

S 5. This act shall take effect immediately and apply to rent paid for occupancies on or after June 1, 2016.

PART Y

Section 1. The section heading of section 951-a of the tax law, as added by chapter 190 of the laws of 1990, is amended to read as follows:

[Definitions] GENERAL PROVISIONS AND DEFINITIONS.

S 2. Section 951-a of the tax law is amended by adding a new subsection (f) to read as follows:

(F) TAX TREATMENT OF CHARITABLE CONTRIBUTIONS FOR DETERMINING DOMICILE. NOTWITHSTANDING ANY OTHER PROVISION OF ANY OTHER LAW TO THE CONTRARY, THE MAKING OF A FINANCIAL CONTRIBUTION, GIFT, BEQUEST, DONATION OR ANY OTHER FINANCIAL INSTRUMENT OR PLEDGE IN ANY AMOUNT OR THE DONATION OR LOAN OF ANY OBJECT OF ANY VALUE, OR THE VOLUNTEERING, GIVING OR DONATION OF UNCOMPENSATED TIME, OR ANY COMBINATION OF THE FOREGOING, CONSIDERED A CHARITABLE CONTRIBUTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE, OR TO A NOT-FOR-PROFIT ORGANIZATION, AS DEFINED IN SUBDIVISION SEVEN OF SECTION ONE HUNDRED SEVENTY-NINE-Q OF THE STATE FINANCE LAW, SHALL NOT BE USED IN ANY MANNER TO DETERMINE WHERE AN INDIVIDUAL IS DOMICILED AT THE TIME OF HIS OR HER DEATH.

S 3. This act shall take effect immediately.

PART Z

Section 1. Subdivision 2 of section 89-b of the state finance law, as amended by chapter 56 of the laws of 1993, is amended to read as follows:

2. The dedicated highway and bridge trust fund shall consist of [two] THREE accounts: (a) the special obligation reserve and payment account; [and] (b) the highway and bridge capital account; AND (C) THE AVIATION PURPOSE ACCOUNT. Moneys in each account shall be kept separate and not commingled with any other moneys in the custody of the comptroller.

S 2. Section 89-b of the state finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. (A) THE AVIATION PURPOSE ACCOUNT SHALL CONSIST OF ALL MONEYS REQUIRED TO BE DEPOSITED BY SECTION THREE HUNDRED TWELVE OF THE TAX LAW AND ANY OTHER MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND, ACCOUNT OR SOURCE.

(B) MONEYS IN THE AVIATION PURPOSE ACCOUNT SHALL BE UTILIZED FOR AIRPORTS AND AVIATION FACILITIES AND EQUIPMENT AND RELATED PROJECTS, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF REAL OR TANGIBLE PERSONAL PROPERTY, CONSTRUCTION, RECONSTRUCTION, RECONDITIONING, PRESER-

VATION, MAINTENANCE OR IMPROVEMENT OF AIRPORT OR AVIATION CAPITAL FACILITIES AND NOISE MITIGATION PROJECTS, AND ANY OTHER PURPOSE NOT PROHIBITED BY FEDERAL LAW.

S 3. Section 312 of the tax law, as amended by section 32 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

S 312. Deposit and disposition of revenue.-- (a) Except as otherwise provided, of all taxes, interest and penalties collected or received on or after April first, two thousand one, from the taxes imposed by [sections] SECTION three hundred one-a [and three hundred one-e] of this article, (i) initially eighty and three-tenths percent shall be deposited, as prescribed by subdivision (d) of section three hundred one-j of this article and (ii) nineteen and seven-tenths percent shall be deposited in such mass transportation operating assistance fund to the credit of the metropolitan mass transportation operating assistance account and the public transportation systems operating assistance account thereof in the manner provided by subdivision eleven of section one hundred eighty-two-a of this chapter. Provided, further that on or before the twenty-fifth day of each month commencing with April, two thousand one, the comptroller shall deduct the amount of six hundred twenty-five thousand dollars prior to any deposit or disposition of the taxes, interest, and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall deposit such amount in the dedicated fund accounts pursuant to subdivision (d) of section three hundred one-j of this article. Provided, further, that commencing January fifteenth, nineteen hundred ninety-one, and on or before the tenth day of March and the fifteenth day of June and September of such year, the commissioner shall, based on information supplied by taxpayers and other appropriate sources, estimate the amount of the utility credit authorized by section three hundred one-d of this article which has been accrued to reduce tax liability under section one hundred eighty-six-a of this chapter during the period covered by such estimate and certify to the state comptroller such estimated amount. The comptroller shall forthwith, after receiving such certificate, deduct the amount of such credit so certified by the commissioner prior to any deposit or disposition of the taxes, interest and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall pay such amount so certified and deducted into the state treasury to the credit of the general fund. Also, subsequently, during the fiscal year when the commissioner becomes aware of changes or modifications with respect to actual credit usage, the commissioner shall, as soon as practicable, issue a certification setting forth the amount of any required adjustment to the amount of actual credit usage previously certified. After receiving the certificate of the commissioner with respect to actual credit usage or modification of the same, the comptroller shall forthwith adjust general fund receipts and the revenues to be deposited or disposed of under this article to reflect the difference so certified by the commissioner. The commissioner shall not be liable for any overestimate or underestimate of the amount of the utility credit which has been accrued to reduce tax liability under such section one hundred eighty-six-a. Nor shall the commissioner be liable for any inaccuracy in any certificate with respect to the amount of such credit actually used or any required adjustment with respect to actual credit usage, but the commissioner shall as soon as practicable after discovery of any error adjust the next certification under this section to reflect any such error.

Prior to making deposits as provided in this section, the comptroller shall retain such amount as the commissioner may determine to be necessary, subject to the approval of the director of the budget, for reasonable costs of the department in administering and collecting the taxes deposited pursuant to this section and for refunds and reimbursements with respect to such taxes, out of which the comptroller shall pay any refunds or reimbursements of such taxes to which taxpayers shall be entitled.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL TAXES, INTEREST, AND PENALTIES COLLECTED OR RECEIVED ON OR AFTER DECEMBER FIRST, TWO THOUSAND SEVENTEEN FROM THE TAXES IMPOSED BY SECTION THREE HUNDRED ONE-E OF THIS ARTICLE SHALL BE DEPOSITED IN THE AVIATION PURPOSE ACCOUNT OF THE DEDICATED HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED BY SECTION EIGHTY-NINE-B OF THE STATE FINANCE LAW.

S 4. Paragraph 1 of subdivision (a) of section 1102 of the tax law, as amended by chapter 261 of the laws of 1988, is amended to read as follows:

(1) Every distributor of motor fuel shall pay, as a prepayment on account of the taxes imposed by this article and pursuant to the authority of article twenty-nine of this chapter, a tax on each gallon of motor fuel (i) which he imports or causes to be imported into this state for use, distribution, storage or sale in the state or produces, refines, manufactures or compounds in this state or (ii) if the tax has not been imposed prior to its sale in this state, which he sells (which acts shall in regard to motor fuel hereinafter in this article be encompassed by the phrase "imported, manufactured or sold"), except when imported, manufactured or sold under circumstances which preclude the collection of such tax by reason of the United States constitution and of the laws of the United States enacted pursuant thereto or when imported or manufactured by an organization described in paragraph one or two of subdivision (a) of section eleven hundred sixteen of this article or a hospital included in the organizations described in paragraph four of such subdivision for its own use and consumption and except kero-jet fuel when imported by an airline for use in its airplanes, AND EXCEPT AVIATION GASOLINE SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT.

S 5. Subparagraph (i) of paragraph 1 of subdivision (a) of section 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, is amended to read as follows:

(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 ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT; 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.

S 6. Subparagraphs (xii) and (xiii) of paragraph 4 of subdivision (a) of section 1210 of tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, are amended and a new subparagraph (xiv) is added to read as follows:

(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; AND (XIV) SHALL EXCLUDE FROM THE OPERATION OF SUCH LOCAL TAXES ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT. 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 7. Notwithstanding any law to the contrary, the comptroller is hereby authorized and directed to transfer from the general fund for deposit into the mass transportation operating assistance fund, pursuant to section 88-a of the state finance law and the dedicated mass transportation trust fund, pursuant to section 89-c of the state finance law, upon request of the director of the budget, on or before March 31 of each year, an amount equal to the amount of revenue received by the commissioner of taxation and finance during the state fiscal year from petroleum business taxes imposed pursuant to the authority of section 301-e of the tax law that would have otherwise been directed to such funds pursuant to section 312 of the tax law as such section was in effect on the day before this act became a law.

S 8. Sections one, two and seven of this act shall take effect April 1, 2017; provided however that sections three, four, five and six of this act shall take effect December 1, 2017; and provided further that if section 19 of part W1 of chapter 109 of the laws of 2006 shall have not expired on or before such date then section four of this act shall take effect on the same date and in the same manner as such chapter of the laws of 2006 takes effect.

PART AA

Intentionally Omitted

PART BB

Intentionally Omitted

PART CC

Section 1. Section 308 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part Y of chapter 58 of the laws of 2012, is amended to read as follows:

S 308. Officials at harness horse race meetings. 1. At all harness race meetings licensed by the [state racing and wagering board] GAMING COMMISSION in accordance with the provisions of sections two hundred

twenty-two through seven hundred five of this chapter qualified judges and starters shall be designated by the [state racing and wagering board] GAMING COMMISSION. Such officials shall enforce the rules and regulations of the [state racing and wagering board] GAMING COMMISSION and shall render regular written reports of the activities and conduct of such race meetings to the [state racing and wagering board] GAMING COMMISSION.

2. The licensed racing corporations shall reimburse the [state racing and wagering board] GAMING COMMISSION for the per diem cost to the [board] COMMISSION to employ one associate judge and the starter to serve at harness race meetings. The [board] COMMISSION shall notify EACH such licensed racing [corporations] CORPORATION of the per diem cost of the associate judge and the starter [prior to the beginning] AT THE TRACK OF SUCH LICENSED RACING CORPORATION WITHIN SIXTY DAYS OF THE END of each month. Payment of the reimbursement required by this section shall be made to the [board] COMMISSION by each entity required to make such payments [on the last business day of each month] WITHIN THIRTY DAYS OF SUCH NOTIFICATION BY THE COMMISSION and shall cover all the costs incurred during that month. A penalty of five percent of payment due, and interest at the rate of one percent per month calculated from such [last day of each month] DATE THAT PAYMENT IS DUE to the date of the payment of the per diem cost shall be payable in case any per diem cost imposed by this subdivision is not paid when due. The [board] COMMISSION shall promulgate rules and regulations to ensure the proper reimbursement of such costs.

3. The [board] COMMISSION shall pay into the racing regulation account, as defined in section ninety-nine-i of the state finance law, under the joint custody of the comptroller and the [board] COMMISSION, the total amount of the reimbursements collected pursuant to this section. With the approval of the director of the budget, monies [utilized] USED to pay the costs and expenses of the operations of the [board] COMMISSION shall be paid out of such account on the audit and warrant of the comptroller on vouchers, certified and approved by the director of the division of the budget or his or her duly designated official.

4. Any associate judge and starter whose per diem costs are reimbursed by a licensed racing corporation shall remain employees of the [state racing and wagering board] GAMING COMMISSION and shall retain all the rights and privileges of their current civil service jurisdictional classification and status and collective bargaining unit representation.

S 2. This act shall take effect immediately.

PART DD

Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding a new clause (G-2) to read as follows:

(G-2) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR TRACK IS LOCATED WITHIN REGION SIX OF DEVELOPMENT ZONE TWO AS DEFINED BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW AND IS LOCATED WITHIN ONTARIO COUNTY, SUCH VENDOR TRACK SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES;

AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCULATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

S 2. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding two new clauses (G-3) and (G-4) to read as follows:

(G-3) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR TRACK IS LOCATED WITHIN REGION FOUR OF DEVELOPMENT ZONE TWO AS DEFINED BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW AND IS LOCATED WITHIN ONEIDA COUNTY, SUCH VENDOR TRACK SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES; AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCULATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

(G-4) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR TRACK IS LOCATED WITHIN REGION SIX OF DEVELOPMENT ZONE TWO AS DEFINED BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW AND IS LOCATED WITHIN GENESSEE COUNTY, SUCH VENDOR TRACK SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES; AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE

RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCULATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2014.

PART EE

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 WW of chapter 59 of the laws of 2015, 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 [eight] NINE 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, 2016.

PART FF

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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN; 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 [sixteen] SEVENTEEN; 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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN, 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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN 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 [sixteen] SEVENTEEN. 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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN. 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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN. 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 NN of chapter 59 of the laws of 2015, 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 thousand [fifteen] SIXTEEN, 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 NN of chapter 59 of the laws of 2015, 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, [2016] 2017; 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 NN of chapter 59 of the laws of 2015, 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, [2016] 2017; 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 NN of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN, 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 [sixteen] SEVENTEEN, such payment shall be seven-tenths of one per centum of such pools.

S 10. This act shall take effect immediately.

PART GG

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 MM of chapter 59 of the laws of 2015, 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 [sixteen] SEVENTEEN. Any amount attributable to a capital expenditure approved prior to April first, two thousand [sixteen]SEVENTEEN and completed before April first, two thousand [eighteen] NINETEEN; or approved prior to April first, two thousand [twenty] TWENTY-ONE and completed before April first, two thousand [twenty-two] TWENTY-THREE 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 [sixteen] SEVENTEEN and completed prior to April first, two thousand [eighteen] NINETEEN, exceed the vendor track's cumulative capital award during the five year period ending April first, two thousand [sixteen] SEVENTEEN, the vendor shall continue to receive the capital award after April first, two thousand [sixteen] SEVENTEEN 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 [sixteen] SEVENTEEN shall be deposited into the state lottery fund for education aid; and

S 2. This act shall take effect immediately.

PART HH

Section 1. Paragraph b of subdivision 3 of section 97-nnnn of the state finance law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

b. ten percent of the moneys in such fund, AS ATTRIBUTABLE TO A SPECIFIC LICENSED GAMING FACILITY, shall be appropriated or transferred from the commercial gaming revenue fund equally between the host municipality and host county OF SUCH FACILITY.

S 2. Clause (G) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

(G) Notwithstanding any provision to the contrary, when a vendor track is located within regions one, two, or five of development zone two as defined by section thirteen hundred ten of the racing, pari-mutuel wagering and breeding law, such vendor track shall receive an additional commission at a rate equal to the percentage of revenue wagered at the vendor track after payout for prizes pursuant to this chapter, WHICH PERCENTAGE SHALL BE ONE HUNDRED, less [ten percent] THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK retained by the

commission for operation, administration, and procurement purposes; and [payment of] the vendor's fee, marketing allowance[,] and capital award paid TO THE VENDOR TRACK pursuant to this chapter; and the effective tax rate paid on all gross gaming revenue paid by a gaming facility within the same region pursuant to section thirteen hundred fifty-one of the racing, pari-mutuel wagering and breeding law, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN THE SAME REGION IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. The additional commission SET FORTH IN THIS CLAUSE shall be paid to the vendor track within sixty days after the conclusion of the state fiscal year based on the calculated percentage during the previous fiscal year.

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2014.

PART II

Section 1. Subdivision 1 of section 491 of the tax law, as added by chapter 90 of the laws of 2014, is amended to read as follows:

1. Except in accordance with proper judicial order or as in this section or otherwise provided by law, it shall be unlawful for the commissioner, any officer or employee of the department, or any officer or person who, pursuant to this section, is permitted to inspect any return or report or to whom a copy, an abstract or a portion of any return or report is furnished, or to whom any information contained in any return or report is furnished, or any person engaged or retained by such department on an independent contract basis or any person who in any manner may acquire knowledge of the contents of a return or report filed pursuant to this article to divulge or make known in any manner the contents or any other information relating to the business of a distributor, owner or other person contained in any return or report required under this article. The officers charged with the custody of such returns or reports shall not be required to produce any of them or evidence of anything contained in them in any action or proceeding in any court, except on behalf of the state, the state department of health, or the commissioner in an action or proceeding under the provisions of this chapter or on behalf of the state or the commissioner in any other action or proceeding involving the collection of a tax due under this chapter to which the state or the commissioner is a party or a claimant or on behalf of any party to any action or proceeding under the provisions of this article, when the returns or the reports or the facts shown thereby are directly involved in such action or proceeding, or in an action or proceeding relating to the regulation or taxation of medical marihuana on behalf of officers to whom information shall have been supplied as provided in subdivision two of this section, in any of which events the court may require the production of, and may admit in evidence so much of said returns or reports or of the facts shown thereby as are pertinent to the action or proceeding and no more. Nothing herein shall be construed to prohibit the commissioner, in his or her discretion, from allowing the inspection or delivery of a certified copy of any return or report filed under this article or of any information contained in any such return or report by or to a duly authorized officer or employee of the state department of health; or by or to the attorney general or other legal representatives of the state when an

action shall have been recommended or commenced pursuant to this chapter in which such returns or reports or the facts shown thereby are directly involved; or the inspection of the returns or reports required under this article by the comptroller or duly designated officer or employee of the state department of audit and control, for purposes of the audit of a refund of any tax paid by a registered organization or other person under this article; nor to prohibit the delivery to a registered organization, or a duly authorized representative of such registered organization, a certified copy of any return or report filed by such registered organization pursuant to this article, nor to prohibit the publication of statistics so classified as to prevent the identification of particular returns or reports and the items thereof. THIS SECTION SHALL ALSO NOT BE CONSTRUED TO PROHIBIT THE DISCLOSURE, FOR TAX ADMINISTRATION PURPOSES, TO THE DIVISION OF THE BUDGET AND THE OFFICE OF THE STATE COMPTROLLER, OF INFORMATION AGGREGATED FROM THE RETURNS FILED BY ALL THE REGISTERED ORGANIZATIONS MAKING SALES OF, OR MANUFACTURING, MEDICAL MARIHUANA IN A SPECIFIED COUNTY, WHETHER THE NUMBER OF SUCH REGISTERED ORGANIZATIONS IS ONE OR MORE. PROVIDED FURTHER THAT, NOTWITHSTANDING THE PROVISIONS OF THIS SUBDIVISION, THE COMMISSIONER MAY, IN HIS OR HER DISCRETION, PERMIT THE PROPER OFFICER OF ANY COUNTY ENTITLED TO RECEIVE AN ALLOCATION, FOLLOWING APPROPRIATION BY THE LEGISLATURE, PURSUANT TO THIS ARTICLE AND SECTION EIGHTY-NINE-H OF THE STATE FINANCE LAW, OR THE AUTHORIZED REPRESENTATIVE OF SUCH OFFICER, TO INSPECT ANY RETURN FILED UNDER THIS ARTICLE, OR MAY FURNISH TO SUCH OFFICER OR THE OFFICER'S AUTHORIZED REPRESENTATIVE AN ABSTRACT OF ANY SUCH RETURN OR SUPPLY SUCH OFFICER OR SUCH REPRESENTATIVE WITH INFORMATION CONCERNING AN ITEM CONTAINED IN ANY SUCH RETURN, OR DISCLOSED BY ANY INVESTIGATION OF TAX LIABILITY UNDER THIS ARTICLE.

S 2. This act shall take effect immediately; provided, however, that the amendments to subdivision 1 of section 491 of the tax law made by section one of this act shall be deemed to have been in full force and effect on and after January 1, 2016, and shall not affect the repeal of such section and shall be deemed to be repealed therewith.

PART JJ

Section 1. Subdivision 15 of section 425 of the real property tax law, as added by section 1 of part E of chapter 59 of the laws of 2015, is amended 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] IN THE CURRENT SCHOOL YEAR OR one or more of the three preceding [assessment rolls] SCHOOL YEARS, 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) IN ORDER FOR THE RECOUPMENT PROCEDURE TO BE CONSIDERED TIMELY, THE NOTICE REQUIRED BY SUBPARAGRAPH (II) OF THIS PARAGRAPH MUST BE MAILED NO LATER THAN THREE YEARS AFTER THE CONCLUSION OF THE SCHOOL YEAR FOR WHICH THE EXEMPTION IN QUESTION WAS GRANTED, OR IN THE CASE OF AN EXEMPTION THAT WAS GRANTED FOR THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN SCHOOL YEAR, NO LATER THAN SEPTEMBER THIRTIETH, TWO THOUSAND SIXTEEN;

(II) 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)] (III) 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] ARTICLE 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 KK

Section 1. Paragraphs a and b of subdivision 1 of section 502 of the tax law, paragraph a as amended by section 1 of part E of chapter 60 of the laws of 2007, and paragraph b as amended by section 1 of part T-1 of chapter 57 of the laws of 2009, are amended to read as follows:

a. Each carrier shall apply to the commissioner for a certificate of registration for each motor vehicle operated or to be operated by [him]

SUCH CARRIER on the public highways in this state. Application shall be made upon a form prescribed by such commissioner and shall set forth the gross and unloaded weight of each motor vehicle, license plate information for each motor vehicle and such other information as the commissioner may require. Such weights shall be subject to audit and approval by the commissioner. [The application shall be accompanied by a fee of fifteen dollars for each motor vehicle listed in the application.] The commissioner shall issue [without further charge] a certificate of registration for each motor vehicle or a consolidated certificate of registration for all or any portion of such vehicles of such carrier which shall contain such information and be in such form as the commissioner shall prescribe. In the case of the loss, mutilation or destruction of a certificate of registration, the commissioner shall issue a duplicate thereof [upon payment of a fee of two dollars]. Any such certificate of registration shall not be transferable, except as hereinafter provided, and shall be valid until revoked, suspended or surrendered. Such certificate of registration shall be maintained in the carrier's regular place of business. In the event of an increase in the gross or unloaded weight of any motor vehicle subject to this article, application for a corrected certificate of registration shall be made upon a form prescribed by such commissioner setting forth the previous gross or unloaded weight, the new gross or unloaded weight and such other information as the commissioner may require. In the event of a decrease in the gross or unloaded weight of any motor vehicle subject to this article, application may be made for a corrected certificate of registration in a similar manner, provided that any such application on the basis of a decrease in the gross or unloaded weight of any motor vehicle may be made only during the month of January. In the event of a decrease in the gross or unloaded weight of any motor vehicle subject to this article, an application to cancel a certificate of registration on the basis of such decrease may be made during any month. The corrected gross or unloaded weight shall be subject to audit and approval by the commissioner. In the event of a change to the license plate information of any motor vehicle subject to this article, an application for a corrected certificate of registration shall be made upon a form prescribed by the commissioner setting forth the previous license plate information, the new license plate information and such other information as the commissioner may require. Upon surrendering the certificate of registration previously issued, the commissioner shall[, without further charge,] issue a corrected certificate of registration.

b. Every automotive fuel carrier shall apply to the commissioner for a special certificate of registration, in place of the certificate of registration described in paragraph a of this subdivision, for each motor vehicle operated or to be operated by [him] SUCH CARRIER on the public highways in this state to transport automotive fuel. Provided, however, a special certificate of registration shall not be required under this paragraph for a tractor or other self-propelled device which, except with respect to the fuel in the ordinary fuel tank intended for its propulsion, transports automotive fuel solely by means of a trailer, dolly or other device drawn by such tractor or other self-propelled device if a certificate of registration prescribed by paragraph a of this subdivision has been issued for the self-propelled device. Application shall be made upon an application form prescribed by the commissioner. [The application shall be accompanied by a fee of fifteen dollars for each trailer, semi-trailer, dolly or other device listed in the application.] The commissioner shall issue [without further charge]

such special certificate of registration for each motor vehicle listed in the application or a consolidated certificate of registration for all or any portion of such vehicles of such carrier. All of the provisions of this article with respect to certificates of registration shall be applicable to the special certificates of registration issued to automotive fuel carriers under this paragraph as if those provisions had been set forth in full in this paragraph and expressly referred to the special certificates of registration required by this paragraph except to the extent that any such provision is either inconsistent with a provision of this paragraph or not relevant to the certificates of registration required by this paragraph. Any certificate of registration shall not be transferable, and shall be valid until revoked, suspended or surrendered. Such special certificate of registration shall be maintained in the carrier's regular place of business. Nothing contained in this paragraph shall in any way exempt an automotive fuel carrier from payment of the taxes imposed pursuant to this article.

S 2. Paragraphs a and b of subdivision 6 of section 502 of the tax law, as added by section 1 of part K-1 of chapter 57 of the laws of 2009, are amended to read as follows:

a. The commissioner may require the use of decals as evidence that a carrier has a valid certificate of registration for each motor vehicle operated or to be operated on the public highways of this state as required by paragraph a of subdivision one of this section. If the commissioner requires the use of decals, the commissioner shall issue for each motor vehicle with a valid certificate of registration a decal that shall be of a size and design and containing such information as the commissioner prescribes. [The fee for any decal issued pursuant to this paragraph is four dollars.] In the case of the loss, mutilation, or destruction of a decal, the commissioner shall issue a new decal upon proof of the facts [and payment of four dollars]. The decal shall be firmly and conspicuously affixed upon the motor vehicle for which it is issued as closely as practical to the registration or license plates and at all times be visible and legible. No decal is transferable. A decal shall be valid until it expires or is revoked, suspended, or surrendered.

b. The commissioner may require the use of special decals as evidence that an automotive fuel carrier has a valid special certificate of registration for each motor vehicle operated or to be operated on the public highways of this state to transport automotive fuel as required by paragraph b of subdivision one of this section. If the commissioner requires the use of special decals, the commissioner shall issue for each motor vehicle with a valid special certificate of registration a special decal that shall be distinctively colored and of a size and design and containing such information as the commissioner prescribes. [The fee for any special decal issued pursuant to this paragraph is four dollars.] In the case of the loss, mutilation, or destruction of a special decal, the commissioner shall issue a new special decal upon proof of the facts [and payment of four dollars]. The special decal shall be firmly and conspicuously affixed upon the motor vehicle for which it is issued pursuant to the rules and regulations prescribed by the commissioner to enable the easy identification of the automotive fuel carrier certificate of registration number and at all times be visible and legible. No special decal is transferable and shall be valid until it expires or is revoked, suspended, or surrendered.

S 3. The tax law is amended by adding a new section 502-a to read as follows:

S 502-A. CERTIFICATE OF REGISTRATION AND DECAL FEES. THE APPLICATION FOR A CERTIFICATE OF REGISTRATION AND DECAL DESCRIBED IN PARAGRAPH A OF SUBDIVISION ONE AND PARAGRAPH A OF SUBDIVISION SIX OF SECTION FIVE HUNDRED TWO OF THIS ARTICLE, OR A SPECIAL CERTIFICATE OF REGISTRATION AND SPECIAL DECAL AS DESCRIBED IN PARAGRAPH B OF SUBDIVISION ONE AND PARAGRAPH B OF SUBDIVISION SIX OF SUCH SECTION, SHALL BE ACCOMPANIED BY A FEE OF ONE DOLLAR AND FIFTY CENTS. IN THE CASE OF THE LOSS, MUTILATION OR DESTRUCTION OF ANY SUCH DOCUMENTS, THE COMMISSIONER SHALL ISSUE A DUPLICATE SET THEREOF UPON PAYMENT OF A FEE OF ONE DOLLAR AND FIFTY CENTS. PROVIDED, HOWEVER, THERE SHALL BE NO ADDITIONAL CHARGE FOR THE ISSUANCE OF A CORRECTED CERTIFICATE OF REGISTRATION PURSUANT TO PARAGRAPH A OF SUBDIVISION ONE OF SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

S 4. Subdivision 8 of section 509 of the tax law, as separately amended by section 3 of part K-1 and section 2 of part T-1 of chapter 57 of the laws of 2009, is amended to read as follows:

8. To issue replacement certificates of registration or decals at such times as the commissioner may deem necessary for the proper and efficient enforcement of the provisions of this article, but not more often than once every year and to require the surrender of the then outstanding certificates of registration and decals. All of the provisions of this article with respect to certificates of registration and decals shall be applicable to replacement certificates of registration and decals issued hereunder, except that the replacement certificate of registration or decal shall be issued upon payment of a fee of [fifteen dollars] ONE DOLLAR AND FIFTY CENTS for each motor vehicle and for any trailer, semi-trailer, dolly or other device drawn thereby for which a certificate of registration or decal is required to be issued under this article;

S 5. Section 515 of the tax law, as added by chapter 329 of the laws of 1991, is amended to read as follows:

S 515. Disposition of revenues. All taxes, interest, penalties and fees collected or received pursuant to this article shall be deposited daily in one account with such responsible banks, banking houses or trust companies as may be designated by the comptroller, and to the credit of the comptroller on account of the dedicated highway and bridge trust fund established pursuant to section eighty-nine-b of the state finance law. Such an account may be established in one or more of such depositories and such deposits shall be kept separate and apart from all other moneys in the possession of the comptroller. The comptroller shall require adequate security from all such depositories.

Of the revenues so deposited, the comptroller shall retain in his hands such amount as the commissioner of taxation and finance may determine to be necessary for refunds or reimbursements of the taxes collected or received pursuant to this article to which taxpayers shall be entitled under the provisions of this article, out of which amount the comptroller shall pay any refunds or reimbursements of the taxes collected or received pursuant to this article to which taxpayers shall be entitled under such provisions. The comptroller, after reserving the amount to pay such refunds or reimbursements, shall, on or before the last day of each month, pay the balance of the revenue so deposited during such month into the dedicated highway and bridge trust fund established pursuant to section eighty-nine-b of the state finance law.

NOTWITHSTANDING THE FOREGOING OR ANY OTHER LAW TO THE CONTRARY, THE COMPTROLLER SHALL DEPOSIT ALL MONIES COLLECTED ON ACCOUNT OF THE REGISTRATION FEES IMPOSED PURSUANT TO SECTION FIVE HUNDRED TWO-A AND SUBDIVISION EIGHT OF SECTION FIVE HUNDRED NINE OF THIS ARTICLE INTO THE HIGHWAY

USE TAX ADMINISTRATION ACCOUNT ESTABLISHED PURSUANT TO SECTION NINETY-NINE-Y OF THE STATE FINANCE LAW. THE MONIES DEPOSITED IN SUCH ACCOUNT SHALL BE AVAILABLE TO THE COMMISSIONER FOR THE COSTS OF ISSUING THE CERTIFICATES OF REGISTRATION AND HIGHWAY USE TAX DECALS REQUIRED BY THIS ARTICLE AND FOR ANY OTHER COSTS OF ADMINISTERING THE PROVISIONS OF SECTIONS FIVE HUNDRED TWO, FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THIS ARTICLE. ANY MONEYS NOT USED IN A GIVEN YEAR SHALL BE RETURNED TO SUCH ACCOUNT AND BE ADDED TO THE TOTAL FUNDS AVAILABLE FOR DISBURSEMENT IN THE SUCCEEDING YEAR.

S 6. The state finance law is amended by adding a new section 99-y to read as follows:

S 99-Y. HIGHWAY USE TAX ADMINISTRATION ACCOUNT. 1. THERE IS HEREBY ESTABLISHED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF THE DEPARTMENT OF TAXATION AND FINANCE A SPECIAL ACCOUNT TO BE KNOWN AS THE "HIGHWAY USE TAX ADMINISTRATION ACCOUNT".

2. THE HIGHWAY USE TAX ADMINISTRATION ACCOUNT SHALL CONSIST OF ALL MONIES COLLECTED FROM THE HIGHWAY USE TAX REGISTRATION AND DECAL FEES COLLECTED PURSUANT TO SECTIONS FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THE TAX LAW, AND ANY OTHER MONIES DEPOSITED INTO THE ACCOUNT PURSUANT TO LAW.

3. MONIES OF THE ACCOUNT, FOLLOWING APPROPRIATION BY THE LEGISLATURE, SHALL BE USED FOR THE COSTS OF THE COMMISSIONER OF TAXATION AND FINANCE IN ADMINISTERING SECTIONS FIVE HUNDRED TWO, FIVE HUNDRED TWO-A AND FIVE HUNDRED NINE OF THE TAX LAW, AND EXPENDED FOR THE PURPOSES SET FORTH IN SECTION FIVE HUNDRED FIFTEEN OF THE TAX LAW.

S 7. This act shall take effect immediately.

PART LL

Section 1. Subparagraph (B) of paragraph 2 of subsection (c) of section 952 of the tax law, as added by section 2 of part X of chapter 59 of the laws of 2014, is amended to read as follows:

(B) In the case of any decedent dying in a calendar year beginning on or after January first, two thousand nineteen, OR IN THE CASE OF A DECEDENT DYING ON AND AFTER APRIL FIRST, TWO THOUSAND SIXTEEN, WHERE THE ESTATE INCLUDES A FARM OPERATION, AS DEFINED IN SECTION THREE HUNDRED ONE OF THE AGRICULTURE AND MARKETS LAW, OR A BUSINESS, AND THE VALUE OF THE FARM OPERATION OR THE BUSINESS OR ANY COMBINATION THEREOF IS MORE THAN FIFTY PERCENT OF THE VALUE OF THE ENTIRE ESTATE AT THE TIME OF DEATH the basic exclusion amount shall be equal to:

(i) five million dollars, multiplied by

(ii) one plus the cost-of-living adjustment, which shall be the percentage by which the consumer price index for the preceding calendar year exceeds the consumer price index for calendar year two thousand ten.

S 2. This act shall take effect immediately.

PART MM

Section 1. Paragraph 3-a of subsection (c) of section 612 of the tax law, as amended by section 3 of part I of chapter 59 of the laws of 2015, 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] TWENTY-SEVEN THOUSAND DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, THIRTY-FOUR THOUSAND DOLLARS FOR ANY TAXABLE YEAR BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, AND FORTY thousand dollars IN EACH SUBSEQUENT YEAR, 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 (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 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after the first of January of the year in which it shall have become a law.

PART NN

Section 1. Subsection (a) of section 601-a of the tax law, as amended by section 10 of part FF of chapter 59 of the laws of 2013, is amended to read as follows:

(a) For tax year two thousand thirteen, the commissioner, not later than September first, two thousand twelve, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand twelve by one plus the cost of living adjustment described in subsection (c) of this section. For tax year two thousand fourteen, the commissioner, not later than September first, two thousand thirteen, shall multiply the amounts specified in subsection (b) of this section for tax year two thousand thirteen by one plus the cost of living adjustment. For each succeeding tax year after tax year two thousand fourteen [and before tax year two thousand eighteen], the commissioner, not later than September first of such tax year, shall multiply the amounts specified in subsection (b) of this section for such tax year by one plus the cost of living adjustment described in subsection (c) of this section for such tax year.

S 2. This act shall take effect immediately.

PART OO

Section 1. Subsection (i) of section 601 of the tax law is relettered subsection (j) and a new subsection (i) is added to read as follows:

(I) REDUCTIONS. (1) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (A) OF THIS SECTION, FOR EVERY ELIGIBLE RESIDENT MARRIED INDIVIDUAL WHO MAKES A SINGLE RETURN JOINTLY WITH HIS SPOUSE UNDER SUBSECTION (B) OF SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, AND EVERY ELIGIBLE RESIDENT SURVIVING SPOUSE, ANY TAX RATE UNDER SUBSECTION (A) OF THIS SECTION APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME THAT IS GREATER THAN OR EQUAL TO $40,000 AND LESS THAN $300,000, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART, SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

FOR TAX YEAR 2018 BY 0.4%
FOR TAX YEAR 2019 BY 0.5875%
FOR TAX YEAR 2020 BY 0.775%
FOR TAX YEAR 2021 BY 0.9625%
FOR TAX YEAR 2022 BY 1.15%
FOR TAX YEAR 2023 BY 1.3375%
FOR TAX YEAR 2024 BY 1.525%
FOR TAX YEAR 2025 AND AFTER BY 1.7125%

PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

(2) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (B) OF THIS SECTION, FOR EVERY ELIGIBLE RESIDENT HEAD OF A HOUSEHOLD, ANY TAX RATE UNDER SUBSECTION (B) OF THIS SECTION APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME THAT IS GREATER THAN OR EQUAL TO $30,000 AND LESS THAN $225,000, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART, SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

FOR TAX YEAR 2018 BY 0.4%
FOR TAX YEAR 2019 BY 0.5875%
FOR TAX YEAR 2020 BY 0.775%
FOR TAX YEAR 2021 BY 0.9625%
FOR TAX YEAR 2022 BY 1.15%
FOR TAX YEAR 2023 BY 1.3375%
FOR TAX YEAR 2024 BY 1.525%
FOR TAX YEAR 2025 AND AFTER BY 1.7125%

PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

(3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION, FOR EVERY ELIGIBLE RESIDENT INDIVIDUAL WHO IS NOT A MARRIED INDIVIDUAL WHO MAKES A SINGLE RETURN JOINTLY WITH HIS SPOUSE UNDER SUBSECTION (B) OF SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, OR A RESIDENT HEAD OF A HOUSEHOLD OR A RESIDENT SURVIVING SPOUSE, ANY TAX RATE UNDER SUBSECTION (C) OF THIS SECTION APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME THAT IS GREATER THAN OR EQUAL TO $20K AND LESS THAN $150K, AS ADJUSTED BY THE COST OF LIVING ADJUSTMENT PRESCRIBED IN SECTION SIX HUNDRED ONE-A OF THIS PART, SHALL BE REDUCED BY THE FOLLOWING SCHEDULE:

FOR TAX YEAR 2018 BY 0.4%
FOR TAX YEAR 2019 BY 0.5875%
FOR TAX YEAR 2020 BY 0.775%
FOR TAX YEAR 2021 BY 0.9625%

FOR TAX YEAR 2022 BY 1.15%
FOR TAX YEAR 2023 BY 1.3375%
FOR TAX YEAR 2024 BY 1.525%
FOR TAX YEAR 2025 AND AFTER BY 1.7125%

PROVIDED HOWEVER, IF ANY TAX RATE, APPLICABLE TO TAXPAYERS WITH A TAXABLE INCOME OF LESS THAN THE TAXABLE INCOME THAT IS ELIGIBLE FOR THIS REDUCTION, BECOMES HIGHER THAN ANY OF THE APPLICABLE TAX RATES AS REDUCED BY THIS SUBPARAGRAPH THEN SUCH RATE OR RATES SHALL BE REDUCED TO EQUAL THE RATE DETERMINED IN THIS SUBPARAGRAPH.

S 2. Paragraph 2 of subsection (e) of section 601 of the tax law, as amended by chapter 2 of the laws of 1995, is amended to read as follows:

(2) Tax base. The tax base is the tax computed under subsections (a) through (d) AND (I) of this section, as the case may be, reduced by the credits permitted under subsections (b), (c), (d) and (m) of section six hundred six, as if such nonresident or part-year resident individual, estate or trust were a resident subject to the provisions of part II of this article.

S 3. This act shall take effect immediately.

PART PP

Section 1. Paragraph (b) of subdivision 6 of section 18-a of the public service law, as amended by section 1 of part S of chapter 57 of the laws of 2014, is amended to read as follows:

(b) The temporary state energy and utility service conservation assessment shall be based upon the following percentum of the utility entity's gross operating revenues derived from intrastate utility operations in the last preceding calendar year, minus the amount, if any, that such utility entity is assessed pursuant to subdivisions one and two of this section for the corresponding state fiscal year period: (1) two percentum for the state fiscal year beginning April first, two thousand thirteen; (2) 1.63 percentum for the state fiscal year beginning April first, two thousand fourteen; AND (3) 1.00 percentum for the state fiscal year beginning April first, two thousand fifteen[; and (4) .73 percentum for the state fiscal year beginning April first, two thousand sixteen]. With respect to the temporary state energy and utility service conservation assessment to be paid for the state fiscal year beginning April first, two thousand [seventeen] SIXTEEN and notwithstanding clause (i) of paragraph (d) of this subdivision, on or before March tenth, two thousand [seventeen] SIXTEEN, utility entities shall make a payment equal to [one-half] THREE HUNDRED SIXTY-FIVE THOUSANDTHS (.365) of the assessment paid by such entities pursuant to this paragraph for the state fiscal year beginning on April first, two thousand [sixteen] FIFTEEN; provided, further that such assessment for state fiscal year beginning April first, two thousand [seventeen] SIXTEEN shall not be reflected in a customer's rate after December thirty-first, two thousand [seventeen] SIXTEEN. With respect to the Long Island power authority, the temporary state energy and utility service conservation assessment shall be based upon the following percentum of such authority's gross operating revenues derived from intrastate utility operations in the last preceding calendar year, minus the amount, if any, that such authority is assessed pursuant to subdivisions one-a and two of this section for the corresponding state fiscal year period: (1) one percentum for the state fiscal year beginning April first, two thousand thirteen; (2) .84 percentum for the state fiscal year beginning April first, two thousand fourteen; AND (3) .50 percentum for the state fiscal year

beginning April first, two thousand fifteen; [and (4) .34 percentum for the state fiscal year beginning April first, two thousand sixteen;] provided, however, that should the amount assessed by the department for costs and expenses pursuant to such subdivisions equal or exceed such authority's temporary state energy and utility service conservation assessment for a particular fiscal year, the amount to be paid under this subdivision by such authority shall be zero. With respect to the temporary state energy and utility service conservation assessment to be paid for the state fiscal year beginning April first, two thousand [seventeen] SIXTEEN and notwithstanding clause (i) of paragraph (d) of this subdivision, on or before March tenth, two thousand [seventeen] SIXTEEN, the Long Island power authority shall make a payment equal to [one-half] THIRTY-FOUR HUNDREDTHS (.34) of the assessment it paid for the state fiscal year beginning on April first, two thousand [sixteen] FIFTEEN; provided, further that such assessment for state fiscal year beginning April first, two thousand [seventeen] SIXTEEN shall not be reflected in a customer's rate after December thirty-first, two thousand [seventeen] SIXTEEN. No corporation or person subject to the jurisdiction of the commission only with respect to safety, or the power authority of the state of New York, shall be subject to the temporary state energy and utility service conservation assessment provided for under this subdivision. Utility entities whose gross operating revenues from intrastate utility operations are five hundred thousand dollars or less in the preceding calendar year shall not be subject to the temporary state energy and utility service conservation assessment. The minimum temporary state energy and utility service conservation assessment to be billed to any utility entity whose gross revenues from intrastate utility operations are in excess of five hundred thousand dollars in the preceding calendar year shall be two hundred dollars.

S 2. This act shall take effect immediately; provided, however, that the amendments to subdivision 6 of section 18-a of the public service law made by section one of this act shall not affect the repeal of such subdivision and shall be deemed repealed therewith.

PART QQ

Section 1. Subsection (n-1) of section 606 of the tax law, as added by section 1 of subpart B of part C of chapter 20 of the laws of 2015, is amended to read as follows:

(n-1) Property tax relief credit. (1) An individual taxpayer who meets the eligibility standards in paragraph two of this subsection shall be allowed a credit against the taxes imposed by this article in the amount specified in paragraph three of this subsection for tax years two thousand sixteen, two thousand seventeen, two thousand eighteen, [and] two thousand nineteen AND EACH TAXABLE YEAR THEREAFTER.

(2) (a) To be eligible for the credit, the taxpayer (or taxpayers filing joint returns) on the personal income tax return filed for the taxable year two years prior, must have (i) been a resident, (ii) owned and primarily resided in real property receiving the STAR exemption authorized by section four hundred twenty-five of the real property tax law, and (iii) had qualified gross income no greater than two hundred seventy-five thousand dollars. Provided, however, that no credit shall be allowed if any of the following apply:

(i) Such property is located in an independent school district that is subject to the provisions of section two thousand twenty-three-a of the education law and that has adopted a budget in excess of the tax levy

limit prescribed by that section. To render its taxpayers eligible for the credit authorized by this subsection, the school district must certify its compliance with such tax levy limit in the manner prescribed by subdivision two of section two thousand twenty-three-b of the education law.

(ii) Such property is located in a city with a dependent school district that is subject to the provisions of section three-c of the general municipal law and that has adopted a budget in excess of the tax levy limit prescribed by that section. To render its taxpayers eligible for the credit authorized by this subsection, the city must certify its compliance with such tax levy limit in the manner prescribed by subdivision two of section three-d of the general municipal law.

(iii) Such property is located in the city of New York.

(3) Amount of credit. (a) For the two thousand sixteen taxable year (i) for a taxpayer residing in real property located within the metropolitan commuter transportation district (MCTD) and outside the city of New York, the amount of the credit shall be $130; (ii) for a taxpayer residing in real property located outside the MCTD, the amount of the credit shall be $185.

(b) For the two thousand seventeen, two thousand eighteen and two thousand nineteen taxable years [(i) For] AND EACH TAXABLE YEAR THEREAFTER FOR a taxpayer who owned and primarily resided in real property receiving the basic STAR exemption, the amount of the credit shall equal the STAR tax savings associated with such basic STAR exemption, multiplied by the following percentage:

(A) for the two thousand seventeen taxable year:

Qualified Gross Income	Percentage
Not over $75,000	28%
Over $75,000 but not over $150,000	20.5%
Over $150,000 but not over $200,000	13%
Over $200,000 but not over $275,000	5.5%
Over $275,000	No credit

(B) for the two thousand eighteen taxable year:

Qualified Gross Income	Percentage
Not over $75,000	60%
Over $75,000 but not over $150,000	42.5%
Over $150,000 but not over $200,000	25%
Over $200,000 but not over $275,000	7.5%
Over $275,000	No credit

(C) for the two thousand nineteen taxable year AND EACH TAXABLE YEAR THEREAFTER:

Qualified Gross Income	Percentage
Not over $75,000	85%
Over $75,000 but not over $150,000	60%
Over $150,000 but not over $200,000	35%
Over $200,000 but not over $275,000	10%
Over $275,000	No credit

(c) For a taxpayer who owned and primarily resided in real property receiving the enhanced STAR exemption, the amount of the credit shall equal the STAR tax savings associated with such enhanced STAR exemption, multiplied by the following percentage:

Taxable Year	Percentage
two thousand seventeen	12%
two thousand eighteen	26%
two thousand nineteen AND EACH TAXABLE YEAR THEREAFTER	34%

(d) In no case may the amount of the credit allowed under this subsection exceed the school district taxes due with respect to the residence for that school year.

(4) For purposes of this subsection:

(a) "Qualified gross income" means the adjusted gross income of the qualified taxpayer for the taxable year as reported for federal income tax purposes, or which would be reported as adjusted gross income if a federal income tax return were required to be filed. In computing qualified gross income, the net amount of loss reported on Federal Schedule C, D, E, or F shall not exceed three thousand dollars per schedule. In addition, the net amount of any other separate category of loss shall not exceed three thousand dollars. The aggregate amount of all losses included in computing qualified gross income shall not exceed fifteen thousand dollars.

(b) "STAR tax savings" means the tax savings attributable to the basic or enhanced STAR exemption, whichever is applicable, within a portion of a school district, as determined by the commissioner pursuant to subdivision two of section thirteen hundred six-a of the real property tax law.

(c) "Metropolitan commuter transportation district" or "MCTD" means the metropolitan commuter transportation district as defined in section twelve hundred sixty-two of the public authorities law.

(5) If the amount of the credit allowed under this subsection shall exceed 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, that no interest shall be paid thereon. For each year this credit is allowed, on or before October fifteenth of such year, or as soon thereafter as is practicable, the commissioner shall determine the taxpayer's eligibility for this credit utilizing the information available to the commissioner on the taxpayer's personal income tax return filed for the taxable year two years prior to the taxable year in which the credit is allowed. For those taxpayers whom the commissioner has determined eligible for this credit, the commissioner shall advance a payment in the amount specified in paragraph three of this subsection, which payment shall be issued, to the greatest extent practicable, by October thirty-first of each year the credit is allowed. A taxpayer who has failed to receive an advance payment that he or she believes was due to him or her, or who has received an advance payment that he or she believes is less than the amount that was due to him or her, may request payment of the claimed deficiency in a manner prescribed by the commissioner.

(6) A taxpayer shall not be eligible for the credit allowed under this subsection if the school district taxes levied upon the residence during the taxable year remain unpaid sixty days after the last date on which they could have been paid without interest, or in the case of a school district where such taxes are payable in installments, if such taxes remain unpaid sixty days after the last date on which the final installment could have been paid without interest. If the taxes remain unpaid on such sixtieth day, the amount of credit claimed by the taxpayer under this subsection or the amount of advance payment of credit received by the taxpayer pursuant to paragraph five of this subsection shall be added back as tax on the income tax return for the taxable year in which such sixtieth day occurs.

(7) Only one credit per residence shall be allowed per taxable year under this subsection. When two or more members of a residence are able

to meet the qualifications for a qualified taxpayer, the credit shall be equally divided between or among such individuals. In the case of spouses who file a joint federal return but who are required to determine their New York taxes separately, the credit allowed pursuant to this subsection may be applied against the tax of either or divided between them as they may elect.

S 2. This act shall take effect immediately.

PART RR

Section 1. Subparagraph (A) of paragraph 2 of subsection (t) of section 606 of the tax law, as amended by section 1 of part N of chapter 85 of the laws of 2002, is amended to read as follows:

(A) The term "allowable college tuition expenses" shall mean the amount of qualified college tuition expenses of eligible students paid by the taxpayer during the taxable year[,]. THE AMOUNT OF QUALIFIED COLLEGE TUITION EXPENSES SHALL BE limited [to] AS FOLLOWS: FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND EIGHTEEN, ten thousand dollars for each such student; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND EIGHTEEN, TWELVE THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN, FOURTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY, SIXTEEN THOUSAND DOLLARS FOR EACH STUDENT; FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY-ONE, EIGHTEEN THOUSAND DOLLARS FOR EACH STUDENT; AND FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND TWENTY-ONE, TWENTY THOUSAND DOLLARS PER STUDENT;

S 2. Paragraph 4 of subsection (t) of section 606 of the tax law, as added by section 1 of part DD of chapter 63 of the laws of 2000, is amended to read as follows:

(4) Amount of credit. [If allowable college tuition expenses are less than five thousand dollars, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the lesser of allowable college tuition expenses or two hundred dollars. If allowable college tuition expenses are five thousand dollars or more, the amount of the credit provided under this subsection shall be equal to the applicable percentage of the allowable college tuition expenses multiplied by four percent.]

THE AMOUNT OF THE CREDIT SHALL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING SCHEDULES:

(A) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND AND BEFORE TWO THOUSAND EIGHTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN FIVE THOUSAND DOLLARS	THE APPLICABLE PERCENTAGE OF THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED DOLLARS
FIVE THOUSAND DOLLARS OR MORE	THE APPLICABLE PERCENTAGE OF ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(B) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND EIGHTEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN SIX THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED FORTY DOLLARS
SIX THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION

	EXPENSES MULTIPLIED BY FOUR PERCENT

(C) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN SEVEN THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR TWO HUNDRED EIGHTY DOLLARS
SEVEN THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(D) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN EIGHT THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR THREE HUNDRED TWENTY DOLLARS
EIGHT THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(E) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY-ONE:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN NINE THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR THREE HUNDRED SIXTY DOLLARS
NINE THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

(F) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND TWENTY-ONE:

IF ALLOWABLE COLLEGE TUITION EXPENSES ARE:	THE TAX CREDIT IS EQUAL TO:
LESS THAN TEN THOUSAND DOLLARS	THE LESSER OF ALLOWABLE COLLEGE TUITION EXPENSES OR FOUR HUNDRED DOLLARS
TEN THOUSAND DOLLARS OR MORE	THE ALLOWABLE COLLEGE TUITION EXPENSES MULTIPLIED BY FOUR PERCENT

Such applicable percentage shall be twenty-five percent for taxable years beginning in two thousand one, fifty percent for taxable years beginning in two thousand two, seventy-five percent for taxable years beginning in two thousand three and one hundred percent for taxable years beginning after two thousand three.

S 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2018.

PART SS

Section 1. Paragraph 32 of subsection (c) of section 612 of the tax law, as amended by chapter 81 of the laws of 2008, is amended to read as follows:

(32) Contributions made during the taxable year by an account owner to one or more family tuition accounts established under the New York state college choice tuition savings program provided for under article fourteen-A of the education law, to the extent not deductible or eligible for credit for federal income tax purposes, provided, however, the exclusion provided for in this paragraph shall not exceed [five] TEN thousand dollars for an individual or head of household, and for married couples who file joint tax returns, shall not exceed [ten] TWENTY thousand dollars; provided, further, that such exclusion shall be available only to the account owner and not to any other person.

S 2. This act shall take effect immediately, and shall apply to taxable years beginning on and after January 1, 2017.

PART TT

Section 1. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 44 to read as follows:

(44) INTEREST ON INDEBTEDNESS INCURRED BY THE TAXPAYER SOLELY TO PAY QUALIFIED HIGHER EDUCATION EXPENSES TO THE EXTENT SUCH INTEREST IS DEDUCTIBLE, IN ACCORDANCE WITH TITLE 26 U.S.C. S 221, FOR FEDERAL TAX PURPOSES, BUT NOT TO EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2017.

PART UU

Section 1. Section 282 of the tax law is amended by adding a new subdivision 27 to read as follows:

27. "WHOLESALER OF MOTOR FUEL" MEANS ANY PERSON, FIRM, ASSOCIATION OR CORPORATION WHO OR WHICH: (1) IS NOT A DISTRIBUTOR OF MOTOR FUEL; (2) MAKES A SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK; AND (3)(A) MAKES ANY PURCHASES OF MOTOR FUEL FOR RESALE WITHIN THE REGION SET FORTH IN SUBPARAGRAPH (I) OR (II) OF PARAGRAPH ONE OF SUBDIVISION (E) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS CHAPTER; OR (B) MAKES ANY SALES OF MOTOR FUEL, OTHER THAN RETAIL SALES NOT IN BULK, WITHIN THE REGION SET FORTH IN SUBPARAGRAPH (I) OR (II) OF PARAGRAPH ONE OF SUBDIVISION (E) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS CHAPTER. FOR THE PURPOSES OF THIS ARTICLE WHEN USED WITH RESPECT TO MOTOR FUEL, A "RETAIL SALE NOT IN BULK" MEANS THE MAKING OR OFFERING TO MAKE ANY SALE OF MOTOR FUEL TO A CONSUMER OF SUCH FUEL WHICH IS DELIVERED DIRECTLY INTO A MOTOR VEHICLE FOR USE IN THE OPERATION OF SUCH VEHICLE. A "RETAIL SALE IN BULK" MEANS THE MAKING OR OFFERING TO MAKE ANY SALE OF MOTOR FUEL TO A CONSUMER WHICH IS OTHER THAN A "RETAIL SALE NOT IN BULK".

S 2. The tax law is amended by adding a new section 283-d to read as follows:

S 283-D. REGISTRATION OF WHOLESALERS OF MOTOR FUEL. (A) REGISTRATION REQUIRED. EACH WHOLESALER OF MOTOR FUEL MUST BE REGISTERED WITH THE DEPARTMENT UNDER THIS SECTION. NO WHOLESALER OF MOTOR FUEL SHALL MAKE A SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK UNLESS SUCH WHOLESALER IS SO REGISTERED. THE DEPARTMENT, UPON THE APPLICATION OF A PERSON, SHALL REGISTER SUCH PERSON AS A WHOLESALER OF MOTOR FUEL EXCEPT THAT THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLICANT FOR ANY OF THE GROUNDS SPECIFIED IN SUBDIVISION TWO OR FIVE OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE OR IN SUBDIVISION (C) OF THIS SECTION. THE APPLICATION SHALL BE IN SUCH FORM AND CONTAIN SUCH INFORMATION AS THE COMMISSIONER SHALL PRESCRIBE. ALL OF THE PROVISIONS OF SUBDIVISIONS TWO, FOUR, FIVE, SIX, SEVEN, EIGHT, NINE AND TEN OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE RELATING TO REGISTRATION OF DISTRIBUTORS SHALL BE APPLICABLE TO THE REGISTRATION OF WHOLESALERS OF MOTOR FUEL UNDER THIS SECTION WITH THE SAME FORCE AND EFFECT AS IF THE LANGUAGE OF SUCH SUBDIVISIONS HAD BEEN INCORPORATED IN FULL IN THIS SECTION AND HAD EXPRESSLY REFERRED TO THE REGISTRATION OF WHOLESALERS OF MOTOR FUEL, WITH SUCH MODIFICATION AS MAY BE NECESSARY IN ORDER TO ADAPT THE LANGUAGE OF SUCH PROVISIONS TO THE PROVISIONS OF THIS SECTION, PROVIDED, SPECIFICALLY, THAT THE TERM "DISTRIBUTOR" SHALL BE READ AS "WHOLESALER OF MOTOR FUEL." PROVIDED, HOWEVER, THAT IF THE

COMMISSIONER IS SATISFIED THAT THE REQUIREMENTS OF SUCH PROVISIONS FOR REGISTRATION ARE NOT NECESSARY IN ORDER TO PROTECT TAX REVENUES, THE COMMISSIONER MAY LIMIT OR MODIFY SUCH REQUIREMENTS WITH RESPECT TO ANY PERSON NOT REQUIRED TO BE REGISTERED AS A DISTRIBUTOR OF MOTOR FUEL.

(B) BOND OR OTHER SECURITY. THE COMMISSIONER MAY REQUIRE A WHOLESALER OF MOTOR FUEL SEEKING A REGISTRATION TO FILE WITH THE DEPARTMENT A BOND ISSUED BY A SURETY COMPANY APPROVED BY THE SUPERINTENDENT OF FINANCIAL SERVICES AS TO SOLVENCY AND RESPONSIBILITY AND AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE OR OTHER SECURITY ACCEPTABLE TO THE COMMISSIONER, IN SUCH AMOUNT AS THE COMMISSIONER MAY FIX TO SECURE THE PERFORMANCE BY SUCH WHOLESALER OF MOTOR FUEL OF THE DUTIES AND RESPONSIBILITIES REQUIRED (I) PURSUANT TO THIS ARTICLE AND (II) PURSUANT TO ARTICLES TWENTY-EIGHT AND TWENTY-NINE OF THIS CHAPTER WITH RESPECT TO MOTOR FUEL. THE COMMISSIONER MAY REQUIRE THAT SUCH A BOND OR OTHER SECURITY BE FILED BEFORE A WHOLESALER OF MOTOR FUEL IS REGISTERED, AND THE AMOUNT THEREOF MAY BE INCREASED AT ANY TIME WHEN IN THE COMMISSIONER'S JUDGMENT THE SAME IS NECESSARY. IF SECURITIES ARE DEPOSITED AS SECURITY UNDER THIS SUBDIVISION, SUCH SECURITIES SHALL BE KEPT IN THE JOINT CUSTODY OF THE COMPTROLLER AND THE COMMISSIONER AND MAY BE SOLD BY THE COMMISSIONER IF IT BECOMES NECESSARY SO TO DO IN ORDER TO RECOVER AGAINST SUCH WHOLESALER OF MOTOR FUEL BUT NO SUCH SALE SHALL BE HAD UNTIL AFTER SUCH WHOLESALER OF MOTOR FUEL SHALL HAVE HAD OPPORTUNITY TO LITIGATE THE VALIDITY OF THE LIABILITY IF IT ELECTS TO DO SO. UPON ANY SUCH SALE THE SURPLUS, IF ANY, ABOVE THE SUMS DUE SHALL BE RETURNED TO SUCH WHOLESALER OF MOTOR FUEL. THE DEPARTMENT, WHEN AUTHORIZED BY THE WHOLESALER OF MOTOR FUEL, SHALL FURNISH INFORMATION REGARDING THE REGISTRATION OF THE WHOLESALER OF MOTOR FUEL AND ANY OTHER INFORMATION WHICH THE WHOLESALER OF MOTOR FUEL AUTHORIZES IT TO DISCLOSE.

(C) REFUSAL TO REGISTER. FOR THE PURPOSES OF DETERMINING WHETHER TO REFUSE AN APPLICATION FOR REGISTRATION UNDER THIS SECTION, THE REFERENCES IN SUBDIVISION TWO OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE TO EMPLOYEES OR SHAREHOLDERS UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE APPLICANT OR ANOTHER PERSON SHALL BE DEEMED TO ALSO INCLUDE AN EMPLOYEE UNDER A DUTY TO FILE A RETURN OR PAY TAXES UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF SUCH APPLICANT OR OTHER PERSON. IN ADDITION TO THE GROUNDS SPECIFIED IN SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE, THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLICANT WHERE THE COMMISSIONER ASCERTAINS THAT THE APPLICANT, AN OFFICER, DIRECTOR OR PARTNER OF THE APPLICANT, A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF SUCH APPLICANT (WHERE SUCH APPLICANT IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR AN EMPLOYEE OR SHAREHOLDER OF SUCH APPLICANT WHO, AS SUCH EMPLOYEE OR SHAREHOLDER IS UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE APPLICANT; (1) HAS COMMITTED ANY OF THE ACTS OR OMISSIONS WHICH ARE, OR WAS CONVICTED AS, SPECIFIED IN SUBDIVISION (D) OF THIS SECTION WITHIN THE PRECEDING FIVE YEARS; OR (2) WAS AN OFFICER, DIRECTOR OR PARTNER OF ANOTHER PERSON, OR WHO DIRECTLY OR INDIRECTLY OWNED MORE THAN TEN PERCENT OF THE SHARES OF STOCK OF ANOTHER PERSON (WHERE SUCH OTHER PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR WHO WAS AN EMPLOYEE OR SHAREHOLDER OF ANOTHER PERSON UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY

OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF SUCH OTHER PERSON AT THE TIME SUCH OTHER PERSON COMMITTED ANY OF THE ACTS OR OMISSIONS WHICH ARE, OR WAS CONVICTED AS, SPECIFIED IN SUBDIVISION (D) OF THIS SECTION WITHIN THE PRECEDING FIVE YEARS.

(D) CANCELLATION OR SUSPENSION OF REGISTRATION. THE GROUNDS FOR A CANCELLATION OR SUSPENSION OF A REGISTRATION UNDER THIS SECTION AS A WHOLESALER OF MOTOR FUEL ARE THE SAME AS THOSE GROUNDS SPECIFIED IN SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE AND, IN ADDITION TO SUCH GROUNDS, THE FOLLOWING GROUNDS RELATING TO THIS ARTICLE SHALL APPLY:

(1) A REGISTRATION AS A WHOLESALER OF MOTOR FUEL MAY BE CANCELLED OR SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFICER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE REGISTRANT

(A) FAILS TO FILE OR MAINTAIN IN FULL FORCE AND EFFECT A BOND OR OTHER SECURITY WHEN REQUIRED PURSUANT TO SUBDIVISION (B) OF THIS SECTION OR WHEN THE AMOUNT THEREOF IS INCREASED,

(B) FAILS TO COMPLY WITH ANY OF THE PROVISIONS OF THIS ARTICLE OR ANY RULE OR REGULATION ADOPTED PURSUANT TO THIS ARTICLE BY THE COMMISSIONER,

(C) KNOWINGLY AIDS AND ABETS ANOTHER PERSON IN VIOLATING ANY OF THE PROVISIONS OF THIS ARTICLE OR ANY RULE OR REGULATION ADOPTED PURSUANT TO THIS ARTICLE BY THE COMMISSIONER,

(D) TRANSFERS ITS REGISTRATION AS A WHOLESALER OF MOTOR FUEL WITHOUT THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER,

(E) WITH RESPECT TO A WHOLESALER OF MOTOR FUEL WHICH IS A CORPORATION, HAS BEEN DISSOLVED PURSUANT TO SECTION TWO HUNDRED THREE-A AND SUBDIVISION (D) OF SECTION THREE HUNDRED TEN OF THIS CHAPTER,

(F) COMMITS FRAUD OR DECEIT IN HIS, HER OR ITS OPERATIONS AS A WHOLESALER OF MOTOR FUEL OR HAS COMMITTED FRAUD OR DECEIT IN PROCURING HIS, HER OR ITS REGISTRATION,

(G) HAS IMPERSONATED ANY PERSON REPRESENTED TO BE A WHOLESALER OF MOTOR FUEL UNDER THIS ARTICLE BUT NOT IN FACT REGISTERED AS A WHOLESALER OF MOTOR FUEL, OR

(H) HAS KNOWINGLY AIDED AND ABETTED THE DISTRIBUTION OF MOTOR FUEL, BY ANY PERSON WHICH SUCH REGISTRANT OR SUCH OTHER PERSON KNOWS HAS NOT BEEN REGISTERED BY THE COMMISSIONER AS REQUIRED UNDER THIS ARTICLE.

(2) A REGISTRATION AS A WHOLESALER OF MOTOR FUEL MAY BE CANCELLED OR SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFICER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE REGISTRANT, WAS AN OFFICER, DIRECTOR OR PARTNER OF ANOTHER PERSON OR WAS A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF ANOTHER PERSON (WHERE SUCH OTHER PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR WAS AN EMPLOYEE OR SHAREHOLDER OF

ANOTHER PERSON UNDER A DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF SUCH OTHER PERSON AT THE TIME SUCH OTHER PERSON COMMITTED ANY OF THE ACTS SPECIFIED IN PARAGRAPH ONE OF THIS SUBDIVISION WITHIN THE PRECEDING FIVE YEARS.

(E) CANCELLATION OR SUSPENSION OF REGISTRATION PRIOR TO A HEARING. THE GROUNDS FOR CANCELLING OR SUSPENDING A REGISTRATION AS A WHOLESALER OF MOTOR FUEL PRIOR TO A HEARING SHALL BE THE SAME AS THOSE SPECIFIED IN SUBDIVISION FIVE OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE AND, IN ADDITION TO SUCH GROUNDS, THE FOLLOWING GROUNDS RELATING TO THIS ARTICLE SHALL APPLY:

(1) THE FAILURE TO FILE A RETURN WITHIN TEN DAYS OF THE DATE PRESCRIBED FOR FILING A RETURN UNDER THIS ARTICLE IF THE REGISTRANT SHALL HAVE FAILED TO FILE SUCH RETURN WITHIN TEN DAYS AFTER THE DATE THE DEMAND THEREFOR IS SENT BY REGISTERED OR CERTIFIED MAIL TO THE ADDRESS OF THE WHOLESALER OF MOTOR FUEL GIVEN IN ITS APPLICATION, OR AN ADDRESS SUBSTITUTED THEREFOR AS PROVIDED IN SUBDIVISION FIVE OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE,

(2) THE FAILURE TO CONTINUE TO MAINTAIN IN FULL FORCE AND EFFECT AT ALL TIMES THE BOND OR OTHER SECURITY REQUIRED TO BE FILED PURSUANT TO SUBDIVISION (B) OF THIS SECTION, PROVIDED, HOWEVER, THAT IF A SURETY BOND IS CANCELLED PRIOR TO EXPIRATION, THE COMMISSIONER MAY AFTER CONSIDERING ALL THE RELEVANT CIRCUMSTANCES MAKE SUCH OTHER ARRANGEMENTS, AND MAY REQUIRE THE FILING OF SUCH OTHER BOND OR OTHER SECURITY AS IT DEEMS APPROPRIATE,

(3) THE TRANSFER OF A REGISTRATION AS A WHOLESALER OF MOTOR FUEL WITHOUT THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER, OR

(4) WITH RESPECT TO A WHOLESALER OF MOTOR FUEL WHICH IS A CORPORATION, THE DISSOLUTION OR ANNULMENT OF SUCH CORPORATION PURSUANT TO SECTION THREE HUNDRED TEN OF THIS CHAPTER.

S 3. Section 287 of the tax law is amended by adding a new subdivision 3 to read as follows:

3. EVERY WHOLESALER OF MOTOR FUEL SHALL, ON OR BEFORE THE TWENTIETH DAY OF EACH MONTH, FILE WITH THE DEPARTMENT A RETURN, ON FORMS PRESCRIBED BY THE COMMISSIONER STATING THE NUMBER OF GALLONS OF MOTOR FUEL PURCHASED AND SOLD BY SUCH WHOLESALER IN THE STATE DURING THE PRECEDING CALENDAR MONTH. FOR EACH PURCHASE AND SALE, THE DATE, NUMBER OF GALLONS OF MOTOR FUEL PURCHASED OR SOLD, AND THE NAME OF THE SELLER OR PURCHASER SHALL BE SET FORTH ON THE RETURN. SUCH RETURNS SHALL CONTAIN SUCH FURTHER INFORMATION AS THE COMMISSIONER SHALL REQUIRE. THE FACT THAT A WHOLESALER'S NAME IS SIGNED TO A FILED RETURN SHALL BE PRIMA FACIE EVIDENCE FOR ALL PURPOSES THAT THE RETURN WAS ACTUALLY SIGNED BY SUCH WHOLESALER OF MOTOR FUEL.

S 4. Section 1102 of the tax law is amended by adding a new subdivision (f) to read as follows:

(F) EVERY WHOLESALER OF MOTOR FUEL, AS SUCH TERM IS DEFINED BY SUBDIVISION TWENTY-SEVEN OF SECTION TWO HUNDRED EIGHTY-TWO OF THIS CHAPTER, SHALL PAY OR BE ENTITLED TO A CREDIT OR REFUND OF THE TAX IMPOSED BY THIS SECTION ON GALLONS OF MOTOR FUEL UNDER THE CIRCUMSTANCES SET FORTH IN PARAGRAPH THREE OF SUBDIVISION (E) OF SECTION ELEVEN HUNDRED ELEVEN OF THIS ARTICLE.

S 5. Subdivision (e) of section 1111 of the tax law is amended by adding a new paragraph 3 to read as follows:

(3) WHEN A WHOLESALER OF MOTOR FUEL SELLS MOTOR FUEL IN A REGION, AS DEFINED IN PARAGRAPH ONE OF THIS SUBDIVISION, DIFFERENT FROM THE REGION IN WHICH SUCH MOTOR FUEL WAS PURCHASED:

(I) IF THE REGION IN WHICH IT SELLS THE MOTOR FUEL HAS A HIGHER PREPAID RATE AS SET FORTH IN THIS SUBDIVISION THAN THE REGION IN WHICH THE WHOLESALER PURCHASED THE MOTOR FUEL IN, THE WHOLESALER SHALL PAY TO THE DEPARTMENT THE DIFFERENCE IN THE RATES FOR THE GALLONAGE SOLD.

(II) IF THE REGION IN WHICH IT SELLS THE MOTOR FUEL HAS A LOWER PREPAID RATE AS SET FORTH IN THIS SUBDIVISION THAN THE REGION IN WHICH THE WHOLESALER PURCHASED THE MOTOR FUEL, THE WHOLESALER SHALL BE ENTITLED TO A CREDIT OR REFUND FOR THE DIFFERENCE IN THE RATES FOR THE GALLONAGE SOLD.

S 6. The tax law is amended by adding a new section 1812-g to read as follows:

S 1812-G. PERSON NOT REGISTERED AS A WHOLESALER OF MOTOR FUEL. ANY PERSON WHO, WHILE NOT REGISTERED AS A WHOLESALER OF MOTOR FUEL PURSUANT TO THE PROVISIONS OF ARTICLE TWELVE-A OF THIS CHAPTER, MAKES A SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK, SHALL BE GUILTY OF A CLASS E FELONY.

S 7. This act shall take effect immediately; provided, however, that sections two, three, four, five and six of this act shall take effect December 1, 2016. Effective immediately, any rules, regulations and agreements necessary to implement the provisions of this act on its effective date are authorized and directed to be completed on or before such date.

PART VV

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

(KK) 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 FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND THE SERVICE OF INSTALLING AND MAINTAINING SUCH SYSTEMS. FOR THE PURPOSES OF THIS SUBDIVISION, "FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT" SHALL MEAN AN ELECTRIC GENERATING ARRANGEMENT OR COMBINATION OF COMPONENTS INSTALLED UPON NON-RESIDENTIAL PREMISES THAT UTILIZE SOLID OXIDE, MOLTEN CARBONATE, PROTON EXCHANGE MEMBRANE OR PHOSPHORIC ACID FUEL CELL, OR FOR THE PURPOSES OF THIS SECTION ONLY, LINEAR GENERATOR, THAT IS INSTALLED, OPERATED AND LOCATED IN THIS STATE.

(2) RECEIPTS FROM THE SALE OF HYDROGEN GAS OR ELECTRICITY BY A PERSON PRIMARILY ENGAGED IN THE SALE OF FUEL CELL ELECTRICITY GENERATING SYSTEM EQUIPMENT AND/OR ELECTRICITY GENERATED BY SUCH EQUIPMENT PURSUANT TO A WRITTEN AGREEMENT UNDER WHICH THE ELECTRICITY IS GENERATED BY COMMERCIAL FUEL CELL ELECTRICITY GENERATING 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; (C) PLACED IN SERVICE; AND (D) LOCATED IN THIS STATE TO PROVIDE HEATING, COOLING, HOT WATER OR ELECTRICITY TO SUCH PREMISES.

S 2. Paragraphs 1 and 4 of subdivision (a) of section 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, 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), THE COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT EXEMPTION PROVIDED FOR IN SUBDIVISION (KK) 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, COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT 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, drycleaning, 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; (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; AND (XIV) SHALL OMIT, UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) 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) OR (XIV) 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) AND/OR (XIV) of this paragraph.

S 3. Paragraph 1 of subdivision (b) of section 1210 of the tax law, as amended by section 4 of part Z of chapter 59 of the laws of 2015, is 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; AND (D) THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, UNLESS SUCH COUNTY OR CITY ELECTS OTHERWISE.

S 4. Subdivision (d) of section 1210 of the tax law, as amended by section 4-a of part Z of chapter 59 of the laws of 2015, 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, OR ELECTING OR REPEALING THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT IN SUBDIVISION (KK) 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. Subdivision (a) of section 1212 of the tax law, as amended by section 6 of part Z of chapter 59 of the laws of 2015, 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, AND SHALL OMIT THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER UNLESS SUCH SCHOOL DISTRICT ELECTS OTHERWISE.

S 6. Section 1224 of the tax law is amended by adding a new subdivision (c-2) to read as follows:

(C-2) 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 COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) OF SUCH SECTION ELEVEN HUNDRED FIFTEEN, 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 COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) OF SUCH SECTION ELEVEN HUNDRED FIFTEEN, 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 7. This act shall take effect June 1, 2016 and shall apply in accordance with the applicable transitional provisions in sections 1106 and 1217 of the tax law.

PART WW

Section 1. Subdivision 1 of section 472 of the tax law, as amended by chapter 629 of the laws of 1996, and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

1. The commissioner shall prescribe, prepare and furnish stamps of such denominations and quantities as may be necessary for the payment of the tax on cigarettes imposed by this article, PLUS THE PAYMENT BY THE AGENT OF A CONCURRENT EXPENSE ALLOWANCE FOR THE CIGARETTE TAX ENFORCEMENT FUND ESTABLISHED PURSUANT TO SECTION NINETY-SEVEN-QQQQ OF THE STATE FINANCE LAW OF FOUR CENTS PER STAMP WHICH SHALL BE DEPOSITED PURSUANT TO SUBDIVISION (C) OF SECTION FOUR HUNDRED EIGHTY-TWO OF THIS ARTICLE, and may from time to time and as often as he deems advisable provide for the issuance and exclusive use of stamps of a new design and forbid the use of stamps of any other design, in the manner and with the effect provided in section two hundred seventy-four of this chapter. The commissioner shall make provisions for the sale of such stamps at such places and at such times as he may deem necessary and may license agents for such purpose. The commissioner may license dealers in cigarettes, who maintain separate warehousing facilities for the purpose of receiving and distributing cigarettes and conducting their business, who have received commitments from at least two cigarette manufacturers whose aggregate market share is at least forty percent of the New York state cigarette market, and importers, exporters and manufacturers of cigarettes, and other persons within or without the state as agents to buy or affix stamps to be used in paying the tax herein imposed, but an agent shall at all times have the right to appoint the person in his employ who is to affix the stamps to any cigarettes under the agent's control. The fee for filing such application for an agent's license shall be one thousand five hundred dollars, unless such fee has been paid during the preceding twelve months, in which case, the fee for a new license shall be one thousand dollars. All of the provisions of section four hundred eighty OF THIS ARTICLE relating to wholesale dealers' licenses, including the procedure for suspension, revocation, refusal to license and for hearings, except for paragraphs (c) and (g) of subdivision one of such section, shall be applicable to agents' licenses applied for or granted pursuant to this section, as if such provisions had been set forth in full in this subdivision and had expressly referred to the applicant for, or the holder of, an agent's

license. Whenever the commissioner shall sell and deliver to any such agent any such stamps, such agent shall be entitled to receive as compensation for his services and expenses as such agent in selling or affixing such stamps, and to retain out of the moneys to be paid by him for such stamps, a commission on the par value thereof. The commissioner is hereby authorized to prescribe a schedule of commissions, not exceeding five per centum, allowable to such agent for buying and affixing such stamps. Such schedule shall be uniform with respect to the different types of stamps used, and may be on a graduated scale with respect to the number of stamps purchased. The commissioner may, in his discretion, permit an agent to pay for such stamps within thirty days after the date of purchase and may require any such agent to file with the department [of taxation and finance] a bond issued by a surety company approved by the superintendent of financial services as to solvency and responsibility and authorized to transact business in the state or other security acceptable to the commissioner, in such amount as the commissioner may fix, to secure the payment of any sums due from such agent pursuant to this article. If securities are deposited as security under this subdivision, such securities shall be kept in the custody of the commissioner and may be sold by the commissioner if it becomes necessary so to do in order to recover any sums due from such agent pursuant to this article, but no such sale shall be had until after such agent shall have had opportunity to litigate the validity of any tax if it elects so to do. Upon any such sale, the surplus, if any, above the sums due under this article shall be returned to such agent.

S 2. Section 482 of the tax law is amended by adding a new subdivision (c) to read as follows:

(C) FROM THE AMOUNTS RECEIVED PURSUANT TO SUBDIVISION ONE OF SECTION FOUR HUNDRED SEVENTY-TWO OF THIS ARTICLE, THE COMMISSIONER SHALL DEPOSIT IN THE CIGARETTE TAX ENFORCEMENT FUND ESTABLISHED PURSUANT TO SECTION NINETY-SEVEN-QQQQ OF THE STATE FINANCE LAW THE CONCURRENT EXPENSE ALLOWANCE FOR THE CIGARETTE TAX ENFORCEMENT FUND OF FOUR CENTS PER STAMP.

S 3. The state finance law is amended by adding a new section 97-qqqq to read as follows:

S 97-QQQQ. CIGARETTE TAX ENFORCEMENT FUND. 1. THERE IS HEREBY CREATED IN THE JOINT CUSTODY OF THE STATE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE AN ACCOUNT OF THE MISCELLANEOUS SPECIAL REVENUE FUND TO BE KNOWN AS THE "CIGARETTE TAX ENFORCEMENT FUND".

2. NOTWITHSTANDING ANY OTHER LAW, RULE OR REGULATION TO THE CONTRARY, THE STATE COMPTROLLER IS HEREBY AUTHORIZED AND DIRECTED TO RECEIVE FOR DEPOSIT TO THE CREDIT OF THE CIGARETTE TAX ENFORCEMENT FUND MONIES RECEIVED FROM THE COMMISSIONER OF TAXATION AND FINANCE FROM THE CONCURRENT EXPENSE ALLOWANCE PAID PURSUANT TO SUBDIVISION ONE OF SECTION FOUR HUNDRED SEVENTY-TWO OF THE TAX LAW, MONIES RECEIVED FROM THE COMMISSIONER OF TAXATION AND FINANCE FROM THE SALE OF FORFEITED CIGARETTES AUTHORIZED PURSUANT TO SECTION EIGHTEEN HUNDRED FORTY-SIX OF THE TAX LAW, AND OTHER MONIES APPROPRIATED, CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND OR SOURCE.

3. THE PROCEEDS OF THE CIGARETTE TAX ENFORCEMENT FUND SHALL BE USED SOLELY TO ENFORCE (I) THE COLLECTION OF THE CIGARETTE TAX IMPOSED BY ARTICLE TWENTY OF THE TAX LAW OR (II) THE CIGARETTE MARKETING STANDARDS ACT, AS ESTABLISHED BY ARTICLE TWENTY-A OF THE TAX LAW.

4. MONIES IN THE CIGARETTE TAX ENFORCEMENT FUND SHALL BE KEPT SEPARATE AND APART AND SHALL NOT BE COMMINGLED WITH ANY OTHER MONEYS IN THE CUSTODY OF THE COMPTROLLER AND SHALL ONLY BE EXPENDED AS PROVIDED HEREIN.

5. MONIES OF THE FUND SHALL BE AVAILABLE TO THE COMMISSIONER OF TAXATION AND FINANCE FOR PURPOSES OF CARRYING OUT THE PROVISIONS OF SUBDIVISION (J) OF SECTION EIGHTEEN HUNDRED FOURTEEN OF THE TAX LAW AND SHALL BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT OF THE COMPTROLLER ON VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER OF TAXATION AND FINANCE.

6. IN THE MONTH IMMEDIATELY FOLLOWING THE MONTH IN WHICH THE BALANCE OF THE FUND EXCEEDS SIX MILLION FIVE HUNDRED THOUSAND DOLLARS, THE COMPTROLLER SHALL, UPON RECEIPT OF A CERTIFICATE OF ALLOCATION ISSUED BY THE DIRECTOR OF THE DIVISION OF THE BUDGET, TRANSFER SIX MILLION DOLLARS TO THE DIVISION OF STATE POLICE TO SUPPORT THE DIVISION'S CIGARETTE TAX, AS IMPOSED BY ARTICLE TWENTY OF THE TAX LAW, AND THE CIGARETTE MARKETING STANDARDS ACT, AS ESTABLISHED BY ARTICLE TWENTY-A OF THE TAX LAW, ENFORCEMENT ACTIVITIES. THESE FUNDS MAY BE APPORTIONED TO EITHER THE PATROL ACTIVITIES OR CRIMINAL INVESTIGATION ACTIVITIES PROGRAMS OF THE DIVISION OF STATE POLICE, MAY BE TRANSFERRED OR SUBALLOCATED TO ANY OTHER STATE AGENCY OR PUBLIC AUTHORITY FOR THEIR COSTS ASSOCIATED WITH THE ENFORCEMENT OF THE CIGARETTE TAX OR THE CIGARETTE MARKETING STANDARDS ACT, AND MAY BE USED TO CONTRACT WITH LOCAL ENFORCEMENT AGENCIES FOR CIGARETTE TAX AND/OR CIGARETTE MARKETING STANDARDS ACT ENFORCEMENT ACTIVITIES.

S 4. Subdivisions (a), (b) and (c) of section 1846 of the tax law, as amended by chapter 556 of the laws of 2011, are amended to read as follows:

(a) Whenever a police officer designated in section 1.20 of the criminal procedure law or a peace officer designated in subdivision four of section 2.10 of such law, acting pursuant to his or her special duties, shall discover any cigarettes subject to tax provided by article twenty of this chapter or by chapter thirteen of title eleven of the administrative code of the city of New York, and upon which the tax has not been paid or the stamps not affixed as required by such article or such chapter thirteen, they are hereby authorized and empowered forthwith to seize and take possession of such cigarettes, together with any vending machine or receptacle in which they are held for sale. Such cigarettes, vending machine or receptacle seized by a police officer or such peace officer shall be turned over to the commissioner. Such seized cigarettes, vending machine or receptacle, not including money contained in such vending machine or receptacle, shall be forfeited to the state. The commissioner may, within a reasonable time thereafter, upon publication of a notice to such effect for at least five successive days, before the day of sale, in a newspaper published or circulated in the county where the seizure was made, sell such forfeited vending machines or receptacles at public sale and pay the proceeds into the state treasury to the credit of the general fund. Notwithstanding any other provision of this section, the commissioner may enter into an agreement with any city of this state which is authorized to impose a tax similar to that imposed by article twenty of this chapter to provide for the disposition between the state and any such city of the proceeds from any such sale. All cigarettes forfeited to the state [shall be destroyed or used for law enforcement purposes], except [that] cigarettes that violate, or are suspected of violating, federal trademark laws or import laws shall [not be used for law enforcement purposes. If the commissioner determines the cigarettes may not be used for law enforcement purposes], UPON PUBLICATION IN THE STATE REGISTRY, BE AVAILABLE FOR INSPECTION BY THE MANUFACTURER WHO SHALL DETERMINE WHETHER SUCH CIGARETTES ARE OF SALEABLE QUALITY AND SUCH CIGARETTES SHALL BE OFFERED FOR SALE TO SUCH MANUFACTURERS.

ANY CIGARETTES THAT ARE EITHER NOT INSPECTED BY THE MANUFACTURER WITHIN FIVE DAYS OF THE PUBLICATION IN THE STATE REGISTRY OR ARE NOT PURCHASED BY THE MANUFACTURER AFTER BEING DETERMINED TO BE OF SALEABLE QUALITY SHALL, UPON PUBLICATION IN THE STATE REGISTRY, BE OFFERED FOR SALE TO AGENTS, AS SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF SECTION FOUR HUNDRED SEVENTY OF THIS CHAPTER, TO A PRICE EQUALING TWO DOLLARS AND TWENTY CENTS PER PACK OF TWENTY CIGARETTES. ANY SUCH CIGARETTES THAT ARE EITHER NOT SOLD WITHIN A REASONABLE PERIOD OF TIME AFTER BEING OFFERED FOR SALE TO AGENTS OR DEEMED UNSALEABLE BY THE MANUFACTURER SHALL, UPON PUBLICATION IN THE STATE REGISTRY, BE DESTROYED OR USED FOR LAW ENFORCEMENT PURPOSES. IF THE COMMISSIONER DETERMINES THE CIGARETTES MAY NOT BE OFFERED FOR SALE TO THE MANUFACTURERS OR AGENTS, OR USED FOR LAW ENFORCEMENT PURPOSES BECAUSE SUCH CIGARETTES VIOLATE, OR ARE SUSPECTED OF VIOLATING, FEDERAL TRADEMARK LAWS OR IMPORT LAWS, the commissioner must, within a reasonable time after the forfeiture of such cigarettes, upon publication in the state registry, destroy such forfeited cigarettes. The commissioner may, prior to any destruction of cigarettes, permit the true holder of the trademark rights in the cigarettes to inspect such forfeited cigarettes in order to assist in any investigation regarding such cigarettes. THE REVENUE FROM ALL SALES OF CIGARETTES MADE PURSUANT TO THIS SUBDIVISION SHALL BE DEPOSITED IN THE CIGARETTE TAX ENFORCEMENT FUND, AS ESTABLISHED IN SECTION NINETY-SEVEN-QQQQ OF THE STATE FINANCE LAW.

(b) [In the alternative] PRIOR TO MAKING FORFEITED CIGARETTES AVAILABLE FOR INSPECTION OR PURCHASE BY THE MANUFACTURER, OFFERING SUCH CIGARETTES FOR SALE TO AGENTS, OR USING SUCH CIGARETTES FOR LAW ENFORCEMENT PURPOSES IN ACCORDANCE WITH SUBDIVISION (A) OF THIS SECTION, the tax commission, on reasonable notice by mail or otherwise, may permit the person from whom said cigarettes were seized to redeem the said cigarettes, and any vending machine or receptacle seized therewith, by the payment of the tax due, plus a penalty of fifty per centum thereof, plus interest on the amount of tax due for each month or fraction thereof after such tax became due (determined without regard to any extension of time for filing or paying) at the rate applicable under subparagraph (ii) of paragraph (a) of subdivision one of section four hundred eighty-one of this chapter and the costs incurred in such proceeding, which total payment shall not be less than five dollars; provided, however, that such seizure and sale or redemption shall not be deemed to relieve any person from fine or imprisonment provided for in this article for violation of any provision of article twenty of this chapter.

(c) [In the alternative] AFTER MAKING FORFEITED CIGARETTES AVAILABLE FOR INSPECTION OR PURCHASE BY THE MANUFACTURER AND OFFERING SUCH CIGARETTES FOR SALE TO AGENTS IN ACCORDANCE WITH SUBDIVISION (A) OF THIS SECTION, the tax commission may dispose of any cigarettes seized pursuant to this section, except those that violate, or are suspected of violating, federal trademark laws or import laws, by transferring them to the department of corrections and community supervision for sale to or use by inmates in such institutions.

S 5. Subdivision (b) of section 483 of the tax law, as amended by chapter 860 of the laws of 1987, subparagraph (A) of paragraph 1 and subparagraph (B) of paragraph 3 as amended by chapter 744 of the laws of 1990, subparagraph (B) of paragraph 1 as amended by chapter 1 of the laws of 1999 and subparagraph (B) of paragraph 2 as amended by chapter 4 of the laws of 1988, is amended to read as follows:

(b) 1. (A) The term "cost of the agent" shall mean the basic cost of cigarettes plus the cost of doing business by the agent as evidenced by

the accounting standards and methods regularly employed by said agent in his determination of costs for the purpose of federal income tax reporting for the total operation of his establishment, and must include, without limitation, labor, including salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, interest payable, all types of licenses, taxes, insurance and advertising expressed as a percentage and applied to the basic cost of cigarettes. Any fractional part of a cent in the cost to the agent per carton of cigarettes shall be rounded off to the next higher cent. In the case of sales at retail by an agent, the "cost of the agent" shall be the same as the "cost of the retail dealer". In the case of sales of cigarettes to a chain store having fifteen or more retail outlets, excluding vending machine operators, which are delivered to a central warehouse owned and operated by such chain store and which are delivered to its retail outlets by the chain store, the "cost of the agent" shall be presumed to be the basic cost of cigarettes. There shall be determined a separate cost of the agent for sales to wholesale dealers and for sales to retail dealers.

(B) In the absence of the filing with the commissioner of satisfactory proof of a lesser cost of doing business of the agent making the sale, the cost of doing business by the agent shall be presumed to be [seven-eighths of one] TWO AND ONE-QUARTER percent of the basic cost of cigarettes for sales to wholesale dealers plus one cent per package of ten cigarettes, two cents per package of twenty cigarettes and in the case of a package containing more than twenty cigarettes, two cents and one-half of a cent for each five cigarettes in excess of twenty cigarettes, [one and one-half] FIVE AND THREE-QUARTER percent of the basic cost of cigarettes for sales to chain stores plus one cent per package of ten cigarettes, two cents per package of twenty cigarettes and in the case of a package containing more than twenty cigarettes, two cents and one-half of a cent for each five cigarettes in excess of twenty cigarettes and [three and seven-eighths] FIVE AND THREE-QUARTER percent of the basic cost of cigarettes with respect to sales to retail dealers plus one cent per package of ten cigarettes, two cents per package of twenty cigarettes and in the case of a package containing more than twenty cigarettes, two cents and one-half of a cent for each five cigarettes in excess of twenty cigarettes and the foregoing cents per pack shall be included in the "cost of doing business by the agent" referred to in paragraphs two and three of this subdivision.

2. (A) The term "cost of the wholesale dealer" shall mean the basic cost of cigarettes plus the cost of doing business by the wholesale dealer as evidenced by the accounting standards and methods regularly employed by said wholesale dealer in his determination of costs for the purpose of federal income tax reporting for the total operation of his establishment, and must include, without limitation, labor, including salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, interest payable, all types of licenses, taxes, insurance and advertising expressed as a percentage and applied to the basic cost of cigarettes, plus the cost of doing business by the agent with respect to sales of cigarettes to wholesale dealers. Any fractional part of a cent in the cost to the wholesale dealer per carton of cigarettes shall be rounded off to the next higher cent. In the case of sales at retail by a wholesale dealer, the "cost of the wholesale dealer" shall be the same as the "cost of the retail dealer". There shall be determined a separate cost of the wholesale dealer for sales to chain stores and for sales to retail dealers.

(B) In the absence of the filing with the tax commission of satisfactory proof of a lesser cost of doing business of the wholesale dealer making the sale, the cost of doing business by the wholesale dealer with respect to sales to retail dealers shall be presumed to be three AND ONE-HALF per centum of the basic cost of cigarettes, and with respect to sales to chain stores, [five-eighths of one] THREE AND ONE-HALF percent of the basic cost of cigarettes.

3. (A) The term "cost of the retail dealer" shall mean the basic cost of cigarettes plus the cost of doing business by the retail dealer as evidenced by the accounting standards and methods regularly employed by said retail dealer in his determination of costs for the purpose of federal income tax reporting for the total operation of his establishment, and shall include, without limitation, labor, including salaries of executives and officers, rent, depreciation, selling costs, maintenance of equipment, delivery costs, interest payable, all types of licenses, taxes, insurance and advertising expressed as a percentage and applied to the basic cost of cigarettes, plus the cost of doing business by the agent with respect to sales of cigarettes to retail dealers. Any fractional part of a cent in the cost to the retail dealer per package or per carton shall be rounded off to the next higher cent.

(B) In the absence of the filing with the commissioner of taxation and finance of satisfactory proof of a lesser cost of doing business by the retail dealer making the sale, the cost of doing business by the retail dealer shall be presumed to be [seven] TEN per centum of the sum of the basic cost of cigarettes plus the cost of doing business by the agent with respect to cigarettes sold to retail dealers.

S 6. Section 1814 of the tax law is amended by adding a new subdivision (j) to read as follows:

(J) REWARDS. (1) NOTWITHSTANDING ANY PROVISION OF LAW, RULE OR REGULATION TO THE CONTRARY, THE COMMISSIONER SHALL ESTABLISH A PROGRAM TO ALLOW INDIVIDUALS TO SUBMIT A SWORN STATEMENT AFFIRMING THE OBSERVATION OF A VIOLATION OF ARTICLE TWENTY OF THIS CHAPTER AND, WHERE THE COMMISSIONER DEEMS IT APPROPRIATE, ALLOW FOR A REWARD FOR ANY SUCH SWORN STATEMENT. WHERE ENFORCEMENT ACTION IS TAKEN PURSUANT TO THIS ARTICLE OR ARTICLE TWENTY OF THIS CHAPTER BASED UPON A SWORN STATEMENT BY ONE OR MORE INDIVIDUALS AND WHERE THE COMMISSIONER DETERMINES, IN THE EXERCISE OF HIS OR HER DISCRETION, THAT SUCH SWORN STATEMENT, EITHER ALONE OR IN CONJUNCTION WITH THE TESTIMONY OF THE PERSON SUBMITTING SUCH SWORN STATEMENT CONTRIBUTES TO THE IMPOSITION OF A CIVIL OR CRIMINAL PENALTY UPON ANY PERSON FOR A VIOLATION OF THIS ARTICLE, OR ARTICLE TWENTY OF THIS CHAPTER, THE COMMISSIONER SHALL OFFER AS A REWARD TO SUCH INDIVIDUAL OR INDIVIDUALS AN AMOUNT THAT, IN THE AGGREGATE, IS FIVE DOLLARS. NO PEACE OFFICER, POLICE OFFICER OR EMPLOYEE OF THE DEPARTMENT, EMPLOYEE OF ANY COMPANY UNDER CONTRACT WITH THE DEPARTMENT, OR EMPLOYEE OF ANY GOVERNMENTAL ENTITY THAT, IN CONJUNCTION WITH THE DEPARTMENT, CONDUCTS ENFORCEMENT ACTIVITY RELATING TO A VIOLATION OF THIS ARTICLE OR ARTICLE TWENTY OF THIS CHAPTER, SHALL BE ENTITLED TO OBTAIN THE BENEFIT OF ANY SUCH REWARD WHEN ACTING IN THE DISCHARGE OF HIS OR HER OFFICIAL DUTIES.

(2) ALL REWARDS PAID PURSUANT TO THIS SECTION SHALL BE PAID FROM THE CIGARETTE TAX ENFORCEMENT FUND, AS ESTABLISHED IN SECTION NINETY-SEVEN-QQQQ OF THE STATE FINANCE LAW.

S 7. Beginning the month immediately following the month in which the cigarette tax enforcement fund, as established in section 97-qqqq of the state finance law, is established, there is hereby appropriated to the division of state police the amount of six million dollars ($6,000,000) from the cigarette tax enforcement fund to support cigarette tax, as

imposed by article 20 of the tax law, and cigarette marketing standards act, as established by article 20-A of the tax law, enforcement activities. This appropriation may be apportioned to either the patrol activities or criminal investigation activities programs of the division of state police, may be transferred or suballocated to any other state agency or public authority for their costs associated with the enforcement of the cigarette tax or the cigarette marketing standards act, and may be used to contract with local enforcement agencies for cigarette tax and/or cigarette marketing standards act enforcement activities. No monies shall be available from this appropriation absent a certificate of allocation from the director of the budget.

S 8. This act shall take effect on the first day of the sales tax quarterly period, as described in subdivision (b) of section 1136 of the tax law, next succeeding the thirtieth day after it 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 XX

Section 1. Section 2 of part EE of chapter 60 of the laws of 2011, amending the New York state urban development corporation act relating to the new markets tax credits, is amended to read as follows:

S 2. This act shall take effect immediately and shall expire and be deemed repealed [5] 10 years after such effective date.

S 2. This act shall take effect immediately.

PART YY

Section 1. Subdivision 1 of section 190 of the tax law, as amended by section 102 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

1. General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 2. Paragraph (a) of subdivision 14 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:

(a) General. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTI-

CLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 3. Paragraph 1 of subsection (aa) of section 606 of the tax law, as amended by section 1 of part P of chapter 61 of the laws of 2005, is amended to read as follows:

(1) Residents. [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE IN AN AMOUNT EQUAL TO THE APPLICABLE PERCENTAGE OF THE PREMIUM PAID FOR SUCH LONG-TERM CARE INSURANCE. THE APPLICABLE PERCENTAGE SHALL BE BASED UPON THE TAXPAYER'S AGE WHEN HE OR SHE PURCHASED THE LONG-TERM CARE INSURANCE POLICY FOR WHICH CREDIT IS CLAIMED AND SHALL BE AS FOLLOWS: (A) FOR POLICIES PURCHASED PRIOR TO THE AGE OF THIRTY, FIFTY PERCENT, (B) FOR POLICIES PURCHASED AFTER THE AGE OF TWENTY-NINE BUT PRIOR TO THE AGE OF THIRTY-FIVE, FORTY-FIVE PERCENT, (C) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-FOUR BUT PRIOR TO THE AGE OF FORTY, FORTY PERCENT, (D) FOR POLICIES PURCHASED AFTER THE AGE OF THIRTY-NINE BUT PRIOR TO THE AGE OF FORTY-FIVE, THIRTY-FIVE PERCENT, (E) FOR POLICIES PURCHASED AFTER THE AGE OF FORTY-FOUR BUT PRIOR TO THE AGE OF FIFTY, THIRTY PERCENT, (F) FOR POLICIES PURCHASED AFTER THE AGE OF FORTY-NINE BUT PRIOR TO THE AGE OF FIFTY-FIVE, TWENTY-FIVE PERCENT, AND (G) FOR POLICIES PURCHASED AFTER THE AGE OF FIFTY-FIVE, TWENTY PERCENT. In order to qualify for such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law. If the amount of the credit allowable under this subsection for any taxable year shall exceed the taxpayer's tax for such year, the excess may be carried over to the following year or years and may be deducted from the taxpayer's tax for such year or years.

S 4. Paragraph 1 of subdivision (m) of section 1511 of the tax law, as amended by section 21 of part B of chapter 58 of the laws of 2004, is amended to read as follows:

(1) [A] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, A taxpayer shall be allowed a credit against the tax imposed by this article equal to twenty percent of the premium paid during the taxable year for long-term care insurance, AND FOR TAXABLE YEARS BEGINNING ON AND AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL TO TWENTY PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR LONG-TERM CARE INSURANCE UNLESS THE PREMIUM FOR SUCH INSURANCE INCREASED DURING THE TAXABLE YEAR AND SUCH INCREASE WAS APPROVED AFTER APPLICATION TO AND BY THE DEPARTMENT OF FINANCIAL SERVICES, THEN THE AMOUNT OF CREDIT ALLOWED FOR SUCH INSURANCE SHALL BE TWENTY-FIVE PERCENT OF THE PREMIUM PAID DURING THE TAXABLE YEAR FOR SUCH INSURANCE. In order to qualify for

such credit, the taxpayer's premium payment must be for the purchase of or for continuing coverage under a long-term care insurance policy that qualifies for such credit pursuant to section one thousand one hundred seventeen of the insurance law.

S 5. The insurance law is amended by adding a new section 3216-a to read as follows:

S 3216-A. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLDERS. (A) ALL AUTHORIZED INSURERS ISSUING INSURANCE POLICIES SUBJECT TO THE PROVISIONS OF SECTION ONE THOUSAND ONE HUNDRED SEVENTEEN OF THIS CHAPTER SHALL ISSUE TO EACH POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMATION:

(1) THE DATE SUCH POLICY TOOK EFFECT;

(2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;

(3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;

(4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH INCREASE;

(5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATELY PRIOR CALENDAR YEAR; AND

(6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLICY.

(B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

(C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

S 6. The insurance law is amended by adding a new section 4306-h to read as follows:

S 4306-H. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLDERS. (A) ALL INSURERS ISSUING POLICIES PURSUANT TO THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED FOUR OF THIS ARTICLE AND SUBJECT TO THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED SIX OF THIS ARTICLE THAT ARE FOR OR INCLUDE LONG-TERM CARE BENEFITS SHALL ISSUE TO EACH POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMATION:

(1) THE DATE SUCH POLICY TOOK EFFECT;

(2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;

(3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;

(4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH INCREASE;

(5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATELY PRIOR CALENDAR YEAR; AND

(6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLICY.

(B) FOR PURPOSES OF THIS SECTION, THE TERM "POLICY HOLDER" SHALL MEAN ANY PERSON WHO WAS A POLICY HOLDER AT ANY TIME DURING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

(C) THE ANNUAL STATEMENT PRESCRIBED BY THIS SECTION MAY BE COMBINED WITH ANY OTHER STATEMENTS REQUIRED TO BE GIVEN TO SUCH POLICY HOLDERS AND SHALL BE SENT TO SUCH POLICY HOLDERS BY THE THIRTY-FIRST DAY OF JANUARY FOLLOWING THE YEAR FOR WHICH THE ANNUAL STATEMENT IS ISSUED.

S 7. This act shall take effect immediately.

PART ZZ

Section 1. Subdivision 3 of section 99-h of the state finance law, as amended by section 7 of chapter 174 of the laws of 2013, is amended to read as follows:

3. Moneys of the account, following the segregation of appropriations enacted by the legislature, shall be available for purposes including but not limited to: (a) reimbursements or payments to municipal governments that host tribal casinos pursuant to a tribal-state compact for costs incurred in connection with services provided to such casinos or arising as a result thereof, for economic development opportunities and job expansion programs authorized by the executive law; provided, however, that for any gaming facility located in the city of Buffalo, the city of Buffalo shall receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact, and provided further that for any gaming facility located in the city of Niagara Falls, county of Niagara a minimum of [twenty-five] SEVENTY-FIVE percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact shall be distributed in accordance with subdivision four of this section, and provided further that for any gaming facility located in the county or counties of Cattaraugus, Chautauqua or Allegany, the municipal governments of the state hosting the facility shall collectively receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact; and provided further that pursuant to chapter five hundred ninety of the laws of two thousand four, a minimum of twenty-five percent of the revenues received by the state pursuant to the state's compact with the St. Regis Mohawk tribe shall be made available to the counties of Franklin and St. Lawrence, and affected towns in such counties. Each such county and its affected towns shall receive fifty percent of the moneys made available by the state; and provided further that the state shall annually make twenty-five percent of the negotiated percentage of the net drop from all gaming devices the state actually receives pursuant to the Oneida Settlement Agreement confirmed by section eleven of the executive law as available to the county of Oneida, and a sum of three and one-half million dollars to the county of Madison. Additionally, the state shall distribute for a period of nineteen and one-quarter years, an additional annual sum of two and one-half million dollars to the county of Oneida. Additionally, the state shall distribute the one-time eleven million dollar payment received by the state pursuant to such agreement with the Oneida Nation of New York to the county of Madison by wire transfer upon receipt of such payment by the state; and (b) support and services of treatment programs for persons suffering from gambling addictions. Moneys not segregated for such purposes shall be transferred to the general fund for the support of government during the fiscal year in which they are received.

S 2. Subdivision 3 of section 99-h of the state finance law, as amended by section 7-a of chapter 174 of the laws of 2013, is amended to read as follows:

3. Moneys of the account, following appropriation by the legislature, shall be available for purposes including but not limited to: (a) reimbursements or payments to municipal governments that host tribal casinos pursuant to a tribal-state compact for costs incurred in connection with services provided to such casinos or arising as a result thereof, for economic development opportunities and job expansion programs authorized by the executive law; provided, however, that for

any gaming facility located in the city of Buffalo, the city of Buffalo shall receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact, and provided further that for any gaming facility located in the city of Niagara Falls, county of Niagara a minimum of [twenty-five] SEVENTY-FIVE percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact shall be distributed in accordance with subdivision four of this section, and provided further that for any gaming facility located in the county or counties of Cattaraugus, Chautauqua or Allegany, the municipal governments of the state hosting the facility shall collectively receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact; and provided further that pursuant to chapter five hundred ninety of the laws of two thousand four, a minimum of twenty-five percent of the revenues received by the state pursuant to the state's compact with the St. Regis Mohawk tribe shall be made available to the counties of Franklin and St. Lawrence, and affected towns in such counties. Each such county and its affected towns shall receive fifty percent of the moneys made available by the state; and provided further that the state shall annually make twenty-five percent of the negotiated percentage of the net drop from all gaming devices the state actually receives pursuant to the Oneida Settlement Agreement as confirmed by section eleven of the executive law as available to the county of Oneida, and a sum of three and one-half million dollars to the county of Madison. Additionally, the state shall distribute for a period of nineteen and one-quarter years, an additional annual sum of two and one-half million dollars to the county of Oneida. Additionally, the state shall distribute the one-time eleven million dollar payment received by the state pursuant to such agreement with the Oneida Nation of New York to the county of Madison by wire transfer upon receipt of such payment by the state; and (b) support and services of treatment programs for persons suffering from gambling addictions. Moneys not appropriated for such purposes shall be transferred to the general fund for the support of government during the fiscal year in which they are received.

S 3. Subdivision 3 of section 99-h of the state finance law, as amended by section 8 of chapter 174 of the laws of 2013, is amended to read as follows:

3. Moneys of the account, following the segregation of appropriations enacted by the legislature, shall be available for purposes including but not limited to: (a) reimbursements or payments to municipal governments that host tribal casinos pursuant to a tribal-state compact for costs incurred in connection with services provided to such casinos or arising as a result thereof, for economic development opportunities and job expansion programs authorized by the executive law; provided, however, that for any gaming facility located in the county of Erie [or Niagara], the municipal governments hosting the facility shall collectively receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact, AND FOR ANY GAMING FACILITY LOCATED IN THE COUNTY OF NIAGARA THE MUNICIPAL GOVERNMENT HOSTING THE FACILITY SHALL COLLECTIVELY RECEIVE A MINIMUM OF SEVENTY-FIVE PERCENT OF THE NEGOTIATED PERCENTAGE OF THE NET DROP FOR ELECTRONIC GAMING DEVICES THE STATE RECEIVES PURSUANT TO THE COMPACT, and provided further that for any gaming facility located in the county or counties of Cattaraugus,

Chautauqua or Allegany, the municipal governments of the state hosting the facility shall collectively receive a minimum of twenty-five percent of the negotiated percentage of the net drop from electronic gaming devices the state receives pursuant to the compact; and provided further that pursuant to chapter five hundred ninety of the laws of two thousand four, a minimum of twenty-five percent of the revenues received by the state pursuant to the state's compact with the St. Regis Mohawk tribe shall be made available to the counties of Franklin and St. Lawrence, and affected towns in such counties. Each such county and its affected towns shall receive fifty percent of the moneys made available by the state; and provided further that the state shall annually make twenty-five percent of the negotiated percentage of the net drop from all gaming devices the state actually receives pursuant to the Oneida Settlement Agreement confirmed by section eleven of the executive law available to the county of Oneida, and a sum of three and one-half million dollars to the county of Madison. Additionally, the state shall distribute, for a period of nineteen and one-quarter years, an additional annual sum of two and one-half million dollars to the county of Oneida. Additionally, the state shall distribute the one-time eleven million dollar payment actually received by the state pursuant to the Oneida Settlement Agreement to the county of Madison by wire transfer upon receipt of such payment by the state; and (b) support and services of treatment programs for persons suffering from gambling addictions. Moneys not segregated for such purposes shall be transferred to the general fund for the support of government during the fiscal year in which they are received.

S 4. Paragraph (a) of subdivision 4 of section 99-h of the state finance law, as amended by section 2 of part W of chapter 60 of the laws of 2011, is amended to read as follows:

(a) Monies which are appropriated and received each year by the state as a portion of the negotiated percentage of the net drop from electronic gaming devices the state receives in relation to the operation of a gaming facility in the city of Niagara Falls, county of Niagara which subdivision three of this section requires to be a minimum of [twenty-five] SEVENTY-FIVE percent, shall be budgeted and disbursed by the city of Niagara Falls in the following manner:

(i) [seventy-three] FIFTY-EIGHT and one-half percent of the total annual amount received shall be available for expenditure by the city of Niagara Falls for such public purposes as are determined, by the city, to be necessary and desirable to accommodate and enhance economic development, neighborhood revitalization, public health and safety, and infrastructure improvement in the city, shall be deposited into the tribal revenue account of the city and any and all interest and income derived from the deposit and investment of such monies shall be deposited into the general operating fund of the city; provided however, that [any amount allocated to the Niagara Falls Underground Railroad Heritage Commission, to the extent that its share pursuant to the formula established in clause five of subparagraph (ii) of this paragraph exceeds one percent, such amounts shall be distributed from the funds available to the city for its public purposes pursuant to this paragraph] FORTY PERCENT OF SUCH AMOUNT SHALL BE USED TO FUND DOWNTOWN ECONOMIC DEVELOPMENT AND JOB CREATION TO BE ALLOCATED BY THE DOWNTOWN NIAGARA FALLS ECONOMIC DEVELOPMENT ADVISORY GROUP. THE ADVISORY GROUP SHALL BE MADE UP OF NINE MEMBERS APPOINTED AS FOLLOWS: ONE BY THE GOVERNOR, ONE BY THE SENATE MAJORITY LEADER, ONE BY THE SPEAKER OF THE ASSEMBLY, ONE BY THE SENECA NATION OF INDIANS, ONE BY THE MAYOR OF THE CITY OF NIAGARA FALLS,

ONE BY THE NIAGARA COUNTY LEGISLATURE, ONE BY THE NIAGARA USA CHAMBER, ONE BY THE NIAGARA COUNTY BUILDING TRADES COUNCIL, AND ONE BY THE NIAGARA FRONTIER TRANSPORTATION AUTHORITY. THE DOWNTOWN NIAGARA FALLS ECONOMIC DEVELOPMENT ADVISORY GROUP SHALL ALLOCATE FUNDS FOR THE PURPOSE OF ASSISTING BUSINESSES LOCATED IN DOWNTOWN NIAGARA FALLS TO CREATE NEW JOB OPPORTUNITIES AND TO INCENTIVIZE NEW BUSINESSES TO LOCATE WITHIN DOWNTOWN NIAGARA FALLS. FUNDS MAY BE USED FOR, BUT NOT LIMITED TO, THE REHABILITATION OF BUILDINGS, INSTALLATION OF SIGNAGE, TRAINING OF EXISTING OR NEW EMPLOYEES IN TECHNIQUES RELATED TO THEIR INDUSTRY, AND INSTALLATION OF APPROPRIATE INDUSTRY RELATED MACHINERY. NO FUNDS SHALL BE ALLOCATED FOR GENERAL OBLIGATIONS AND RESPONSIBILITIES TRADITIONALLY PROVIDED BY THE CITY OF NIAGARA FALLS; and

(ii) the remaining [twenty-six] FORTY-ONE and one-half percent of the total annual amount received shall be allocated for the city of Niagara Falls to be available for expenditure in the following manner:

(1) within thirty-five days upon receipt of such funds by such city, five and one-half percent of the total annual amount received in each year, not to exceed [seven] TWO MILLION TWO hundred fifty thousand dollars annually AND NOT LESS THAN THE AMOUNT RECEIVED BY SUCH ENTITY IN FISCAL YEAR TWO THOUSAND FOURTEEN, shall be transferred to Niagara Falls memorial medical center to be used for capital construction projects; and

(2) within thirty-five days upon receipt of such funds by such city, five and one-half percent of the total annual amount received in each year, not to exceed [seven] TWO MILLION TWO hundred fifty thousand dollars annually AND NOT LESS THAN THE AMOUNT RECEIVED BY SUCH ENTITY IN FISCAL YEAR TWO THOUSAND FOURTEEN, shall be transferred to the Niagara Falls city school district for capital construction projects; and

(3) within thirty-five days upon receipt of such funds by such city, seven percent OF THE TOTAL AMOUNT RECEIVED in each year NOT TO EXCEED TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS shall be transferred to the Niagara tourism and convention center corporation for marketing and tourism promotion in the county of Niagara including the city of Niagara Falls; and

(4) an amount equal to the lesser of one million dollars or seven percent of the total amount in each year shall be transferred to the city of Niagara Falls and held in an escrow account maintained by the city of Niagara Falls and, if additional funding has been secured by the Niagara frontier transportation authority to finance construction of a new terminal at Niagara Falls, such amount held in escrow shall be transferred to the Niagara frontier transportation authority for such purpose provided however that if such additional funding has not been secured or construction of a new terminal has not commenced within two years of the date which such monies were received by the city of Niagara Falls such amounts held in escrow by the city of Niagara Falls shall be distributed pursuant to subparagraph (iii) of this paragraph; and

(5) [within thirty-five days upon receipt of such funds by such city, one percent or three hundred fifty thousand dollars, whichever is greater, of the total annual amount received in each year shall be transferred to the Niagara Falls Underground Railroad Heritage Commission, established pursuant to article forty-three of the parks, recreation and historic preservation law to be used for, but not limited to, development, capital improvements, acquisition of real property, and acquisition of personal property within the heritage area in the city of Niagara Falls as established pursuant to the commission; provided in the event the distribution available pursuant to this clause exceeds one

percent, it shall be distributed from the moneys available pursuant to subparagraph (i) of this paragraph] WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY, ONE AND ONE-HALF PERCENT OF THE TOTAL AMOUNTS RECEIVED IN EACH YEAR, NOT TO EXCEED TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO THE NIAGARA FALLS HOUSING AUTHORITY; AND

(6) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY, SEVEN PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO EXCEED TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO THE NIAGARA FALLS AQUARIUM; AND

(7) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY, SEVEN PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO EXCEED TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLAR SHALL BE TRANSFERRED TO THE WESTERN NEW YORK STATE FIRST RESPONSE AND PREPAREDNESS CENTER; AND

(8) WITHIN THIRTY-FIVE DAYS UPON RECEIPT OF SUCH FUNDS BY SUCH CITY, ONE PERCENT OF THE TOTAL AMOUNT RECEIVED IN EACH YEAR, NOT TO BE LESS THAN ONE HUNDRED FIFTY THOUSAND DOLLARS SHALL BE TRANSFERRED TO MOUNT SAINT MARY'S NEIGHBORHOOD HEALTH CENTER; and

(iii) all other monies appropriated or received for distribution pursuant to this subdivision after the transfer of money pursuant to this subparagraph and subparagraphs (i) and (ii) of this paragraph in each year shall be allocated to the city of Niagara Falls for infrastructure and road improvement projects.

S 5. Section 2 of chapter 747 of the laws of 2006 amending the state finance law, relating to the tribal-state compact revenue account, is amended to read as follows:

S 2. This act shall take effect immediately, and shall expire and be deemed repealed December 31, [2016] 2026.

S 6. This act shall take effect immediately, provided that:

1. the amendments to subdivision 3 of section 99-h of the state finance law made by section one of this act shall take effect January 1, 2017 and shall be subject to the expiration and reversion of such subdivision as provided in section 3 of part W of chapter 60 of the laws of 2011, as amended when upon such date the provisions of section two of this act shall take effect;

2. the amendments to subdivision 3 of section 99-h of the state finance law made by section two of this act shall be subject to the expiration and reversion of such section as provided in section 2 of chapter 747 of the laws of 2006, as amended when upon such date the provisions of section three of this act shall take effect; and

3. the amendments to paragraph (a) of subdivision 4 of section 99-h of the state finance law made by section four of this act shall be subject to the expiration of such subdivision as provided in chapter 747 of the laws of 2006, as amended and shall be deemed expired and repealed therewith.

PART AAA

Section 1. Paragraphs c, d and e of subdivision 2 of section 221-a of the racing, pari-mutuel wagering and breeding law, as added by section 3 of part OO of chapter 59 of the laws of 2014, are amended to read as follows:

c. NOTWITHSTANDING THE CONDITIONS SET FORTH IN PARAGRAPHS A AND B OF THIS SUBDIVISION, A MEMORANDUM OF UNDERSTANDING WITH THE JOCKEYS ORGANIZATION THAT REPRESENTS AT LEAST FIFTY-ONE PERCENT OF THE ELIGIBLE ACTIVE JOCKEYS MAY BE APPROVED BY THE COMMISSION THAT CREATES A JOCKEY

HEALTH TRUST THAT IS ADMINISTERED BY THE FRANCHISED CORPORATION TO OBTAIN JOCKEY HEALTH BENEFITS FROM A HEALTH INSURANCE PROVIDER THAT COVERS JOCKEYS AND THEIR DEPENDENTS WITH A HEALTH INSURANCE POLICY THAT IS NOT PURCHASED ON AN AMERICAN HEALTH BENEFIT EXCHANGE ESTABLISHED PURSUANT TO 42 U.S.C. S 18031(B) BUT DOES PROVIDE SILVER LEVEL OF COVERAGE OR LOWER AS DEFINED BY 42 U.S.C. S 18022(D).

D. the payment of premiums shall be made on behalf of eligible jockeys pursuant to paragraph [d] E of this subdivision by the franchised corporation from monies in the account established in subdivision one of this section directly to the health plan selected pursuant to paragraph b of this subdivision;

[d.] E. to be eligible to receive health insurance through this program, an individual must meet one of the following requirements:

(i) have ridden in at least two hundred fifty races conducted by the franchised corporation during the prior calendar year or in at least one hundred fifty races conducted by any other corporation or association licensed pursuant to this article during the prior calendar year; provided, however, if an individual qualified for coverage in any prior year and fails to meet the qualification due to an injury not resulting in a permanent disability, that individual shall be deemed to have met the qualification; or

(ii) have retired from racing on or after January first, two thousand ten after having ridden in at least seventy-five hundred races conducted by any corporation or association licensed pursuant to this article. For the purposes of this section, an individual shall be considered retired from racing if they have ridden in fewer than fifty races at any track in the nation licensed to conduct thoroughbred racing during the calendar year; or

(iii) have become permanently disabled due to a racing accident while eligible to receive benefits or would become eligible to receive benefits in the following year pursuant to subparagraph (i) of this paragraph; provided, however, if an individual fails to meet the qualification of such subparagraph (i) due to an injury resulting in a permanent disability, that individual shall be deemed to have met the qualification; and

[e.] F. the gaming commission shall have the following powers:

(i) to rule on eligibility in the event of a denial of coverage pursuant to paragraph d of this subdivision. In the event of a denial of coverage, such individual denied eligibility may appeal to the gaming commission;

(ii) to make a determination if an individual would have qualified pursuant to subparagraph (i) of paragraph d of this subdivision in the event that the individual suffers an injury and contends that he or she would have qualified had they not suffered such injury; and

(iii) to audit the books and records of the program.

S 2. This act shall take effect immediately.

PART BBB

Section 1. The opening paragraph of subdivision 7 of section 221 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part VV of chapter 59 of the laws of 2015, 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 four-

teen-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 two per centum; PROVIDED, HOWEVER, FOR TWO THOUSAND SIXTEEN, THE NEW YORK JOCKEY INJURY COMPENSATION FUND, INC. MAY USE UP TO TWO MILLION DOLLARS FROM THE ACCOUNT ESTABLISHED PURSUANT TO SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE TO PAY THE ANNUAL COSTS REQUIRED BY THIS SECTION AND THE FUNDS FROM SUCH ACCOUNT SHALL NOT COUNT AGAINST THE TWO PER CENTUM OF PURSES DEDUCTED FROM AN OWNER'S SHARE OF PURSES. 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. Paragraph (a) of subdivision 9 of section 208 of the racing, pari-mutuel wagering and breeding law, as added by chapter 18 of the laws of 2008, is amended to read as follows:

(a) The franchised corporation shall maintain a separate account for all funds held on deposit in trust by the corporation for individual horsemen's accounts. Purse funds shall be paid by the corporation as required to meet its purse payment obligations. Funds held in horsemen's accounts shall only be released or applied as requested and directed by the individual horseman. FOR TWO THOUSAND SIXTEEN THE NEW YORK JOCKEY INJURY COMPENSATION FUND, INC. MAY USE UP TO TWO MILLION DOLLARS FROM THE ACCOUNT ESTABLISHED PURSUANT TO THIS SUBDIVISION TO PAY THE ANNUAL COSTS REQUIRED BY SECTION TWO HUNDRED TWENTY-ONE OF THIS ARTICLE.

S 3. This act shall take effect immediately.

PART CCC

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new section 103-a to read as follows:

S 103-A. RACING FAN ADVISORY COUNCIL. THERE IS HEREBY ESTABLISHED A RACING FAN ADVISORY COUNCIL WITHIN THE COMMISSION WHICH WILL OPERATE AS FOLLOWS:

1. THE COUNCIL SHALL BE COMPOSED OF FIVE MEMBERS. NONE OF THE MEMBERS OF THE COUNCIL SHALL BE EMPLOYEES OR OFFICERS OF THE COMMISSION OR BE PAID EMPLOYEES, LOBBYISTS, OR OFFICERS OF ANY LICENSED OR FRANCHISED RACETRACK OR OFF-TRACK BETTING CORPORATION OR ANY NONPROFIT CORPORATION WHICH REPRESENTS BREEDERS OR HORSEMEN. MEMBERS SHALL BE SELECTED BASED ON THEIR LONG-TERM INVOLVEMENT AND INTEREST IN, KNOWLEDGE OF, AND DEVOTION TO THE SPORT OF HORSE RACING AS FANS OF THE SPORT. FIVE PERSONS SHALL BE APPOINTED BY THE CHAIRPERSON OF THE COMMISSION. ONE PERSON SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE CHAIRPERSON OF THE SENATE COMMITTEE ON RACING, GAMING AND WAGERING, AND ONE PERSON SHALL BE APPOINTED BY THE CHAIRPERSON OF THE ASSEMBLY COMMITTEE ON RACING AND WAGERING.

2. THE CHAIRPERSON AND THE DEPUTY CHAIRPERSON OF THE COUNCIL SHALL BE SELECTED BY THE CHAIRPERSON OF THE COMMISSION. THE DEPUTY CHAIRPERSON SHALL BE SELECTED FROM AMONG THE PERSONS APPOINTED BY THE CHAIRPERSONS OF THE DESIGNATED LEGISLATIVE COMMITTEES.

3. THE MEMBERS OF THE COUNCIL SHALL SERVE FOR A PERIOD OF FIVE YEARS. IN THE EVENT OF A VACANCY OCCURRING DURING A TERM OF APPOINTMENT BY REASON OF DEATH, RESIGNATION, DISQUALIFICATION OR OTHERWISE, SUCH VACANCY SHALL BE FILLED FOR THE UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

4. THE RACING FAN ADVISORY COUNCIL SHALL REQUEST AND SHALL RECEIVE THE ASSISTANCE AND COOPERATION OF THE COMMISSION IN REGARD TO RECEIPT OF INFORMATION RELATING TO HORSE RACING AND WAGERING IN THIS STATE.

5. THE RACING FAN ADVISORY COUNCIL SHALL:

(A) HAVE AS ITS MISSION THE GROWTH OF THE FAN BASE RELATED TO THE SPORT OF HORSE RACING;

(B) RECOMMEND PROCEDURES TO ENSURE THAT THE OPINION OF THE FAN IS A CENTRAL PART OF THE REGULATION OF HORSE RACING;

(C) ADVISE THE COMMISSION ON ISSUES RELATED TO HORSE RACING AND WAGERING;

(D) PREPARE AN ANNUAL REPORT, AND ANY OTHER REPORTS IT DEEMS NECESSARY, TO THE COMMISSION REGARDING THE OPERATION OF THE STATE'S THOROUGHBRED AND HARNESS RACETRACKS AND THE STATE'S OFF-TRACK BETTING CORPORATIONS;

(E) ADVISE THE COMMISSION ON APPROPRIATE ACTIONS TO ENCOURAGE FAN ATTENDANCE AND WAGERING AT THE STATE'S THOROUGHBRED AND HARNESS RACETRACKS AND THE STATE'S OFF-TRACK BETTING CORPORATIONS;

(F) BE AUTHORIZED BY THE COMMISSION TO ENTER UPON THE RACETRACKS AND THEIR FACILITIES REGULATED OR CONTROLLED BY THE BOARD DURING RACE TIMES, AND DURING PERIODS OF HORSE WORKOUTS, AND DURING HOURS WHEN MEMBERS OF THE MEDIA ARE PERMITTED TO BE PRESENT AT THE FACILITIES;

(G) ADVISE THE COMMISSION ON THE CREATION AND DEVELOPMENT OF AN I LOVE NY RACING PROMOTION;

(H) GIVE AN ANNUAL, NON-MONETARY AWARD TO A NEW YORK STATE THOROUGHBRED BREEDING FARM, IN CONJUNCTION WITH THE STATEWIDE THOROUGHBRED BREEDERS ASSOCIATION REPRESENTING THE MAJORITY OF BREEDERS OF REGISTERED THOROUGHBREDS IN NEW YORK STATE, WHICH HAS WORKED TO PROMOTE HORSE RACING IN THIS STATE;

(I) GIVE AN ANNUAL, NON-MONETARY AWARD TO A NEW YORK STATE STANDARD BREEDING FARM, IN CONJUNCTION WITH THE STATEWIDE STANDARDBRED BREEDERS ASSOCIATION REPRESENTING THE MAJORITY OF BREEDERS OF REGISTERED STANDARDBRED IN NEW YORK STATE, WHICH HAS WORKED TO PROMOTE HORSE RACING IN THIS STATE;

(J) RECOMMEND CHANGES TO THE RULES OF THE COMMISSION AND TO THE LAWS AFFECTING HORSE RACING; AND

(K) PERFORM SUCH OTHER DUTIES AS MAY BE INCREASED BY ORDER OF THE COMMISSION.

S 2. This act shall take effect immediately; provided, however, that the members of the racing fan advisory council as created by resolution adopted by the New York state racing and wagering board on June 29, 2011, shall be the initial members of the racing fan advisory council as established by this act.

PART DDD

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new article 15 to read as follows:

ARTICLE 15

INTERACTIVE FANTASY SPORTS

S 1500. LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE HEREBY FINDS AND DECLARES THAT:

1. UNDER THE NEW YORK PENAL LAW A PERSON ENGAGES IN GAMBLING WHEN HE OR SHE STAKES OR RISKS SOMETHING OF VALUE UPON THE OUTCOME OF A CONTEST OF CHANCE OR A FUTURE CONTINGENT EVENT NOT UNDER HIS OR HER CONTROL OR INFLUENCE, UPON AN AGREEMENT OR UNDERSTANDING THAT HE OR SHE WILL RECEIVE SOMETHING OF VALUE IN THE EVENT OF A CERTAIN OUTCOME;

2. INTERACTIVE FANTASY SPORTS IN MANY INSTANCES HAVE BEEN DEFINED AS A GAME OF SKILL AND WERE EXEMPTED FROM THE DEFINITION OF UNLAWFUL INTERNET GAMBLING UNDER THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006 (31 U.S.C. S 5362);

3. INTERACTIVE FANTASY SPORTS CONSIST OF FANTASY OR SIMULATION SPORTS GAMES OR EDUCATIONAL GAMES OR CONTESTS IN WHICH THE FANTASY OR SIMULATION SPORTS TEAMS ARE SELECTED BASED UPON THE SKILL AND KNOWLEDGE OF THE PARTICIPANTS AND NOT BASED ON THE CURRENT MEMBERSHIP OF AN ACTUAL TEAM THAT IS A MEMBER OF AN AMATEUR OR PROFESSIONAL SPORTS ORGANIZATION. AS GAMES OF SKILL, INTERACTIVE FANTASY SPORTS CONTESTS DO NOT FALL UNDER THE DEFINITION OF GAMBLING AS PROHIBITED BY THE PENAL LAW; AND

4. THE LEGISLATURE FURTHER FINDS THAT AS THE INTERNET HAS BECOME AN INTEGRAL PART OF SOCIETY, AND INTERACTIVE FANTASY SPORTS A MAJOR FORM OF ENTERTAINMENT FOR MANY CONSUMERS, ANY INTERACTIVE FANTASY SPORTS ENFORCEMENT AND REGULATORY STRUCTURE MUST BEGIN FROM THE BEDROCK PREMISE THAT PARTICIPATION IN A LAWFUL AND LICENSED INTERACTIVE FANTASY SPORTS INDUSTRY IS A PRIVILEGE AND NOT A RIGHT, AND THAT REGULATORY OVERSIGHT IS INTENDED TO SAFEGUARD THE INTEGRITY OF THE GAMES AND PARTICIPANTS AND TO ENSURE ACCOUNTABILITY AND THE PUBLIC TRUST.

S 1501. DEFINITIONS. AS USED IN THIS ARTICLE THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "COLLEGIATE SPORT OR ATHLETIC EVENT" MEANS A SPORT OR ATHLETIC EVENT OFFERED OR SPONSORED BY OR PLAYED IN CONNECTION WITH A PUBLIC OR PRIVATE INSTITUTION THAT OFFERS EDUCATION SERVICES BEYOND THE SECONDARY LEVEL.

2. "DIVISION" MEANS THE FANTASY SPORTS CONTESTS DIVISION WITHIN THE FINANCIAL FRAUDS AND CONSUMER PROTECTION UNIT ESTABLISHED UNDER SECTION FOUR HUNDRED THREE OF THE FINANCIAL SERVICES LAW.

3. "ENTRY FEE" MEANS CASH OR CASH EQUIVALENT THAT IS REQUIRED TO BE PAID BY A FANTASY CONTEST PLAYER TO A REGISTRANT TO PARTICIPATE IN A FANTASY CONTEST.

4. "HORSE RACING EVENT" MEANS ANY ATHLETIC OR SPORTING EVENT CONDUCTED IN NEW YORK STATE SUBJECT TO THE PROVISIONS OF THIS CHAPTER, OR ANY ATHLETIC OR SPORTING EVENT CONDUCTED OUTSIDE OF NEW YORK STATE, WHICH WOULD IF CONDUCTED IN NEW YORK STATE WOULD BE SUBJECT TO THE PROVISIONS OF THIS CHAPTER.

5. "INTERACTIVE FANTASY SPORTS" MEANS ANY FANTASY OR SIMULATED GAME OR CONTEST, IN WHICH:

(A) THE VALUE OF ALL PRIZES AND AWARDS OFFERED TO WINNING PARTICIPANTS ARE ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS IN ADVANCE OF THE

CONTEST AND SUCH VALUE IS NOT DETERMINED BY THE NUMBER OF PARTICIPANTS OR THE AMOUNT OF ANY FEES PAID BY THOSE PARTICIPANTS;

(B) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE AND SKILL OF THE PARTICIPANTS AND SHALL BE DETERMINED PREDOMINANTLY BY ACCUMULATED STATISTICAL RESULTS OF THE PERFORMANCE OF INDIVIDUALS, INCLUDING ATHLETES IN THE CASE OF SPORTS EVENTS; AND

(C) NO WINNING OUTCOME IS BASED ON THE SCORE, POINT SPREAD, OR ANY PERFORMANCE OR PERFORMANCES OF ANY SINGLE ACTUAL TEAM OR COMBINATION OF SUCH TEAMS OR SOLELY ON ANY SINGLE PERFORMANCE OF AN INDIVIDUAL ATHLETE OR PLAYER IN ANY SINGLE ACTUAL EVENT.

NO INTERACTIVE FANTASY SPORTS GAME OR CONTEST SHALL BE OFFERED INVOLVING FANTASY OR SIMULATION SPORTS TEAMS BASED UPON A PROHIBITED SPORTS EVENT.

6. "INTERACTIVE FANTASY SPORTS GROSS REVENUE" MEANS THE TOTAL OF ALL SUMS PAID TO A REGISTRANT FROM INTERACTIVE FANTASY SPORTS INVOLVING AUTHORIZED PARTICIPANTS, LESS ONLY THE TOTAL OF ALL CASH, CASH EQUIVALENTS, AND PROMOTIONAL FANTASY SPORTS CREDITS PAID OUT TO PATRONS.

7. "INTERACTIVE FANTASY SPORTS PLATFORM" MEANS THE COMBINATION OF HARDWARE, SOFTWARE AND DATA NETWORKS USED TO MANAGE, ADMINISTER OR CONTROL ENTRY FEES ON INTERACTIVE FANTASY SPORTS OR THE CONTESTS WITH WHICH THOSE ENTRY FEES ARE ASSOCIATED.

8. "INTERNET" MEANS A COMPUTER NETWORK OF INTEROPERABLE PACKET-SWITCHED DATA NETWORKS.

9. "REGISTRANT" MEANS A PERSON WHO IS LICENSED BY THE DIVISION TO OFFER INTERACTIVE FANTASY SPORTS, USING AN INTERACTIVE FANTASY SPORTS PLATFORM TO AUTHORIZED PARTICIPANTS. A REGISTRANT MAY UTILIZE MULTIPLE INTERACTIVE FANTASY SPORTS PLATFORMS PROVIDED THAT EACH PLATFORM IS APPROVED BY THE DIVISION.

10. "NONCOMMERCIAL CONTEST OPERATOR" MEANS A PERSON WHO ORGANIZES AND CONDUCTS AN INTERACTIVE FANTASY SPORTS CONTEST, OR WHO MAKES AVAILABLE AN INTERACTIVE FANTASY SPORTS PLATFORM, WHEREBY CONTEST PARTICIPANTS MAY BE CHARGED ENTRY FEES FOR THE RIGHT TO PARTICIPATE THEREIN AND THE ENTRY FEES ARE COLLECTED, MAINTAINED AND DISTRIBUTED BY THE SAME PERSON, PROVIDED ALL ENTRY FEES ARE RETURNED TO THE PLAYERS IN THE FORM OF PRIZES OR OTHER EQUIVALENT.

11. "PROHIBITED PARTICIPANTS" MEANS: EMPLOYEES OF INTERACTIVE FANTASY SPORTS REGISTRANTS; OR INDIVIDUALS WHO HAVE ACCESS TO NON-PUBLIC CONFIDENTIAL INFORMATION ABOUT INTERACTIVE FANTASY SPORTS CONTESTS; OR ANY PROFESSIONAL OR AMATEUR ATHLETE WHOSE PERFORMANCE MAY BE USED TO DETERMINE THE OUTCOME OF A FANTASY SPORTS CONTEST; OR ANY SPORTS AGENT, TEAM EMPLOYEE, REFEREE, OR LEAGUE OFFICIAL ASSOCIATED WITH ANY SPORT UTILIZED FOR INTERACTIVE FANTASY SPORTS CONTESTS; OR INDIVIDUALS IN STATES WHERE THE CONDUCT OF INTERACTIVE FANTASY SPORTS IS PROHIBITED.

12. "PROHIBITED SPORTS EVENT" MEANS ANY COLLEGIATE SPORT OR ATHLETIC EVENT OR ANY HORSE RACING EVENT.

S 1502. REGISTRATION. 1. THE DIVISION SHALL, WITHIN ONE HUNDRED EIGHTY DAYS OF THE DATE THIS ARTICLE BECOMES LAW, PROMULGATE REGULATIONS TO IMPLEMENT INTERACTIVE FANTASY SPORTS IN THIS STATE AND SHALL PERMIT APPLICANTS TO OPERATE INTERACTIVE FANTASY SPORTS INVOLVING AUTHORIZED PARTICIPANTS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE AND OTHER APPLICABLE PROVISIONS OF LAW.

2. NO PERSON, OTHER THAN A NONCOMMERCIAL CONTEST OPERATOR, MAY OPERATE, MANAGE OR MAKE AVAILABLE AN INTERACTIVE FANTASY SPORTS PLATFORM THAT IS OFFERED TO PERSONS LOCATED IN THIS STATE UNLESS REGISTERED BY THE DIVISION PURSUANT TO THIS ARTICLE AND ONLY THOSE GAMES REGISTERED WITH THE DIVISION SHALL BE PERMITTED. HOWEVER, IF AN APPLICANT FOR AN

INTERACTIVE FANTASY SPORTS LICENSE WAS OFFERING INTERACTIVE FANTASY SPORTS CONTESTS TO NEW YORK RESIDENTS PRIOR TO NOVEMBER TENTH, TWO THOUSAND FIFTEEN, THEY MAY CONTINUE TO OFFER THE SAME CONTESTS TO NEW YORK RESIDENTS DURING THE PENDENCY OF THEIR APPLICATION FOR REGISTRATION.

3. THE DIVISION SHALL REQUIRE ALL REGISTRANTS TO PAY A ONE-TIME FEE OF FIVE HUNDRED THOUSAND DOLLARS. SUCH FEE PAID BY EACH REGISTRANT SHALL BE APPLIED TO SATISFY, IN WHOLE OR IN PART, AS APPLICABLE, THAT REGISTRANT'S TAX OBLIGATION PURSUANT TO SECTION FIFTEEN HUNDRED FIVE OF THIS ARTICLE IN THIRTY-SIX EQUAL MONTHLY INSTALLMENTS, ALLOCATED TO EACH OF THE FIRST THIRTY-SIX MONTHS OF TAX OWED AFTER THE REGISTRANT HAS BEGUN OPERATION OF INTERACTIVE FANTASY SPORTS PURSUANT TO THIS ARTICLE. NO AMOUNTS NOT REQUIRED TO BE USED TO SATISFY SUCH TAX OBLIGATION DURING THAT PERIOD SHALL BE ALLOCATED TO PAYMENT OF SUCH TAX OBLIGATION AFTER THAT PERIOD.

4. REGISTRATIONS ISSUED BY THE DIVISION SHALL REMAIN IN EFFECT FOR TEN YEARS.

5. THE DIVISION MAY DELEGATE ITS RESPONSIBILITIES TO ADMINISTER THE PROVISIONS OF THIS ARTICLE TO THE DIVISION, AS IT SEES FIT, EXCEPT FOR ITS RESPONSIBILITIES TO APPROVE REGISTRATIONS.

6. NOTHING CONTAINED IN ARTICLE TWO HUNDRED TWENTY-FIVE OF THE PENAL LAW SHALL BE APPLICABLE TO AN INTERACTIVE FANTASY SPORTS CONTEST OFFERED BY A REGISTRANT IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE.

S 1503. REQUIRED SAFEGUARDS/MINIMUM STANDARDS. THE DIVISION SHALL REQUIRE REGISTRANTS TO IMPLEMENT THE FOLLOWING MEASURES FOR INTERACTIVE FANTASY SPORTS WITH AN ENTRY FEE:

1. PREVENT EMPLOYEES OF THE REGISTRANT, AND RELATIVES LIVING IN THE SAME HOUSEHOLD AS SUCH EMPLOYEES, FROM COMPETING IN ANY SUCH PUBLIC FANTASY SPORTS CONTEST.

2. PROHIBIT THE REGISTRANT FROM BEING A CONTEST PARTICIPANT IN SUCH A FANTASY SPORTS CONTEST THAT HE OR SHE OFFERS.

3. PREVENT THE EMPLOYEES OR AGENTS OF THE REGISTRANT FROM SHARING CONFIDENTIAL INFORMATION THAT COULD AFFECT SUCH FANTASY SPORTS PLAY WITH THIRD PARTIES UNTIL THE INFORMATION IS MADE PUBLICLY AVAILABLE.

4. VERIFY THAT CONTEST PARTICIPANT IS EIGHTEEN YEARS OF AGE OR OLDER.

5. RESTRICT AN INDIVIDUAL WHO IS A PLAYER, GAME OFFICIAL, COACH, OR OTHER PARTICIPANT IN A REAL-WORLD GAME OR COMPETITION FROM PARTICIPATING IN SUCH A FANTASY SPORTS CONTEST THAT IS DETERMINED IN WHOLE OR IN PART ON THE PERFORMANCE OF THAT INDIVIDUAL, THE INDIVIDUAL'S REAL-WORLD TEAM, OR THE ACCUMULATED STATISTICAL RESULTS OF THE SPORT OR COMPETITION IN WHICH HE OR SHE IS A PLAYER, GAME OFFICIAL, OR OTHER PARTICIPANT.

6. ALLOW INDIVIDUALS TO RESTRICT OR PREVENT THEIR OWN ACCESS TO SUCH A FANTASY SPORTS CONTEST AND TAKE REASONABLE STEPS TO PREVENT THOSE INDIVIDUALS FROM ENTERING A FANTASY SPORTS CONTEST.

7. DISCLOSE THE NUMBER OF ENTRIES A SINGLE FANTASY SPORTS CONTEST PLAYER MAY SUBMIT TO EACH SUCH FANTASY SPORTS CONTEST AND TAKE REASONABLE STEPS TO PREVENT PLAYERS FROM SUBMITTING MORE THAN THE ALLOWABLE NUMBER.

8. ENSURE PARTICIPANTS' FUNDS ARE HELD IN ACCOUNTS SEGREGATED FROM THE FUNDS OF REGISTRANTS AND OTHERWISE PROTECTED FROM CORPORATE INSOLVENCY, FINANCIAL RISK OR CRIMINAL OR CIVIL ACTIONS AGAINST THE REGISTRANT.

9. PROTECT, TO A REASONABLE DEGREE OF CERTAINTY, THE PRIVACY AND ONLINE SECURITY OF PARTICIPANTS IN SUCH INTERACTIVE FANTASY SPORTS.

10. ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THE FAIRNESS AND HONESTY OF SUCH INTERACTIVE FANTASY SPORTS AND THAT APPROPRIATE MEASURES ARE IN PLACE TO DETER, DETECT AND, TO THE EXTENT REASONABLY POSSIBLE, TO PREVENT CHEATING, INCLUDING COLLUSION, AND USE OF CHEATING DEVICES,

INCLUDING USE OF SOFTWARE PROGRAMS (SOMETIMES REFERRED TO AS "BOTS" OR "SCRIPTS") THAT PLACE ENTRY FEES OR ADJUST THE PLAYERS SELECTED BY A FANTASY SPORTS PARTICIPANT.

11. PREVENT PROHIBITED PARTICIPANTS FROM MAINTAINING ACCOUNTS OR ENTERING SUCH INTERACTIVE FANTASY SPORTS CONTESTS OFFERED BY ANY INTERACTIVE FANTASY SPORTS REGISTRANT.

12. MINIMIZE COMPULSIVE PARTICIPATION IN SUCH INTERACTIVE FANTASY SPORTS CONTESTS AND PROVIDE NOTICE TO PARTICIPANTS OF RESOURCES AVAILABLE TO HELP COMPULSIVE PARTICIPATION IN FANTASY SPORTS CONTESTS.

S 1504. SCOPE OF REGISTRATION REVIEW. 1. THE DIVISION SHALL REQUIRE THAT EACH APPLICANT, OTHER THAN NONCOMMERCIAL CONTEST OPERATORS, SUBMIT AN APPLICATION SETTING FORTH:

(A) THE FULL NAME OF THE APPLICANT.

(B) IF A CORPORATION, THE NAME OF THE STATE IN WHICH INCORPORATED AND THE NAMES AND ADDRESSES OF THE OFFICERS, DIRECTORS, AND SHAREHOLDERS HOLDING FIVE PERCENT OR MORE EQUITY OR, IF A BUSINESS ENTITY OTHER THAN A CORPORATION, THE NAMES AND ADDRESSES OF THE PRINCIPALS, PARTNERS, OR SHAREHOLDERS HOLDING FIVE PERCENT OR MORE EQUITY.

(C) THE NAMES AND ADDRESSES OF THE ULTIMATE EQUITABLE OWNERS FOR A CORPORATION OR OTHER BUSINESS ENTITY, IF DIFFERENT FROM THOSE PROVIDED UNDER PARAGRAPH (B), UNLESS THE SECURITIES OF THE CORPORATION OR ENTITY ARE REGISTERED PURSUANT TO S 12 OF THE SECURITIES EXCHANGE ACT OF 1934, 15 U.S.C. SS 78A-78KK; AND IF SUCH CORPORATION OR ENTITY FILES WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION THE REPORTS REQUIRED BY S 13 OF THAT ACT OR IF THE SECURITIES OF THE CORPORATION OR ENTITY ARE REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET IN THE UNITED STATES.

(D) THE ESTIMATED NUMBER OF INTERACTIVE FANTASY SPORTS CONTESTS TO BE CONDUCTED ANNUALLY.

(E) A STATEMENT OF THE ASSETS AND LIABILITIES OF THE APPLICANT.

2. THE DIVISION MAY REQUIRE THE NAMES AND ADDRESSES OF THE OFFICERS AND DIRECTORS OF ANY DEBTOR OF THE APPLICANT, AND OF THOSE STOCKHOLDERS WHO HOLD MORE THAN TEN PERCENT OF THE STOCK OF THE DEBTOR.

3. FOR EACH INDIVIDUAL LISTED IN THE APPLICATION AS AN OFFICER OR DIRECTOR, A COMPLETE SET OF FINGERPRINTS THAT HAS BEEN TAKEN BY AN AUTHORIZED LAW ENFORCEMENT OFFICER. THESE SETS OF FINGERPRINTS MUST BE SUBMITTED TO THE FEDERAL BUREAU OF INVESTIGATION FOR PROCESSING. FOREIGN NATIONALS SHALL SUBMIT SUCH DOCUMENTS AS NECESSARY TO ALLOW THE DIVISION TO CONDUCT CRIMINAL HISTORY RECORDS CHECKS IN THE INDIVIDUAL'S HOME COUNTRY. THE APPLICANT MUST PAY THE COST OF PROCESSING. THE DIVISION MAY CHARGE A TWO DOLLAR HANDLING FEE FOR EACH SET OF FINGERPRINT RECORDS.

4. (A) A PERSON OR ENTITY IS NOT ELIGIBLE FOR LICENSURE AS A CONTEST OPERATOR OR THE RENEWAL OF A LICENSE IF THE PERSON OR AN OFFICER OR DIRECTOR OF THE ENTITY HAS BEEN CONVICTED OF A FELONY IN THIS STATE, A FELONY IN ANY OTHER STATE WHICH WOULD BE A FELONY IF COMMITTED IN THIS STATE UNDER THE LAWS OF THIS STATE, OR A FELONY UNDER THE LAWS OF THE UNITED STATES, OR IF THE APPLICANT FOR SUCH REGISTRATION HAS BEEN CONVICTED OF A FELONY OR MISDEMEANOR IN THIS STATE, IN ANY OTHER STATE, OR UNDER THE LAWS OF THE UNITED STATES, IF SUCH FELONY OR MISDEMEANOR IS RELATED TO GAMBLING OR BOOKMAKING.

(B) THE TERM "CONVICTED" MEANS HAVING BEEN FOUND GUILTY, WITH OR WITHOUT ADJUDICATION OF GUILT, AS A RESULT OF A JURY VERDICT, NONJURY TRIAL, OR ENTRY OF A PLEA OF GUILTY OR NOLO CONTENDERE.

5. THE CONTEST OPERATOR SHALL PROVIDE EVIDENCE OF A SURETY BOND IN THE AMOUNT OF ONE MILLION DOLLARS, PAYABLE TO THE STATE, FURNISHED BY A CORPORATE SURETY AUTHORIZED TO DO BUSINESS IN THE STATE IN SUCH A FORM

AS ESTABLISHED BY DIVISION RULE. SUCH BOND SHALL BE KEPT IN FULL FORCE AND EFFECT BY THE CONTEST OPERATOR DURING THE TERM OF THE LICENSE AND ANY RENEWAL THEREOF.

S 1505. STATE TAX. REGISTRANTS ENGAGED IN THE BUSINESS OF CONDUCTING INTERACTIVE FANTASY SPORTS PURSUANT TO THIS ARTICLE SHALL PAY A PRIVILEGE TAX, BASED ON THE REGISTRANT'S PERCENTAGE OF INTERACTIVE FANTASY SPORTS GROSS REVENUE GENERATED FROM NEW YORK PARTICIPANTS, AT A FIFTEEN PERCENT RATE.

S 2. Section 403 of the financial services law is amended by adding a new subsection (e) to read as follows:

(E) THE SUPERINTENDENT IS DIRECTED TO ESTABLISH WITHIN THE FINANCIAL FRAUDS AND CONSUMER PROTECTION UNIT A FANTASY SPORTS CONTESTS DIVISION WHICH SHALL HAVE THE POWER AND DUTY TO:

(I) ENFORCE THE PROVISIONS OF ARTICLE FIFTEEN OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW;

(II) ACCEPT AND INVESTIGATE COMPLAINTS OF ANY KIND FROM CONSUMERS AND ATTEMPT TO MEDIATE SUCH COMPLAINTS WHERE APPROPRIATE;

(III) INITIATE PROPER ENFORCEMENT PROCEEDINGS WHERE SUCH ACTION IS DEEMED BY THE SUPERINTENDENT TO BE NECESSARY OR APPROPRIATE; AND

(IV) DEVELOP AND IMPLEMENT CONSUMER OUTREACH AND EDUCATION PROGRAMS CONSISTENT WITH THE OBLIGATIONS OF THE CONSUMER PROTECTION UNIT AS SET FORTH IN THIS SECTION.

S 3. This act shall take effect immediately; however, if an applicant for an interactive fantasy sports registration was offering interactive fantasy sports contests to New York residents prior to November 10, 2015, they may continue to offer the same contests to New York residents during the pendency of their application.

PART EEE

Section 1. Subdivision 2 of section 1355 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

2. If an applicant that does not possess either a pari-mutuel wagering license or franchise awarded pursuant to article two or three of this chapter is issued a gaming facility license pursuant to this article, the licensee shall pay:

(a) an amount to horsemen for purses at the licensed racetracks in the region AND IN THE CASE OF REGION FIVE ANY LICENSED RACETRACKS WITHIN FIFTY MILES OF THE LICENSEE'S FACILITY, that will assure the purse support from video lottery gaming facilities in the region AND IN THE CASE OF REGION FIVE ANY SUCH LICENSED RACETRACKS WITHIN FIFTY MILES OF THE LICENSEE'S FACILITY, to the licensed racetracks in the region AND IN THE CASE OF REGION FIVE ANY SUCH FACILITIES WITHIN FIFTY MILES OF THE LICENSEE'S FACILITY, to be maintained at the same dollar levels realized in two thousand thirteen to be adjusted by the consumer price index for all urban consumers, as published annually by the United States department of labor bureau of labor statistics; and

(b) amounts to the agricultural and New York state horse breeding development fund and the New York state thoroughbred breeding and development fund to maintain payments from video lottery gaming facilities in the region AND IN THE CASE OF REGION FIVE ANY SUCH FACILITIES WITHIN FIFTY MILES OF THE LICENSEE'S FACILITY, to such funds to be maintained at the same dollar levels realized in two thousand thirteen to be adjusted by the consumer price index for all urban consumers, as

published annually by the United States department of labor bureau of labor statistics.

S 2. This act shall take effect immediately.

PART FFF

Section 1. The racing, pari-mutuel wagering and breeding law is amended by adding a new article 14 to read as follows:

ARTICLE 14
INTERACTIVE GAMING

S 1400. LEGISLATIVE FINDINGS AND PURPOSE. THE LEGISLATURE HEREBY FINDS AND DECLARES THAT: 1. UNDER THE NEW YORK PENAL LAW A PERSON ENGAGES IN GAMBLING WHEN HE OR SHE STAKES OR RISKS SOMETHING OF VALUE UPON THE OUTCOME OF A CONTEST OF CHANCE OR A FUTURE CONTINGENT EVENT NOT UNDER HIS OR HER CONTROL OR INFLUENCE, UPON AN AGREEMENT OR UNDERSTANDING THAT HE OR SHE WILL RECEIVE SOMETHING OF VALUE IN THE EVENT OF A CERTAIN OUTCOME.

2. A CONTEST OF CHANCE IS DEFINED AS ANY CONTEST, GAME, GAMING SCHEME OR GAMING DEVICE IN WHICH THE OUTCOME DEPENDS IN A MATERIAL DEGREE UPON AN ELEMENT OF CHANCE, NOTWITHSTANDING THAT SKILL OF THE CONTESTANTS MAY ALSO BE A FACTOR THEREIN. (SUBDIVISION 1 OF SECTION 225.00 OF THE PENAL LAW). THUS, GAMES OF CHANCE MAY INVOLVE SOME SKILL, BUT IN THOSE GAMES THE LEVEL OF SKILL DOES NOT DETERMINE THE OUTCOME REGARDLESS OF THE DEGREE OF SKILL EMPLOYED. SEE PEOPLE V. TURNER, 165 MISC. 2D 222, 224, 629 N.Y.S.2D 661, 662 (CRIM. CT. 1995). ON THE OTHER HAND, WHERE A CONTEST PITS THE SKILL LEVELS OF THE PLAYERS AGAINST EACH OTHER, NEW YORK COURTS HAVE FOUND A GAME TO BE ONE OF SKILL RATHER THAN CHANCE. SEE PEOPLE V. HUNT, 162 MISC. 2D 70, 72, 616 N.Y.S.2D 168, 170 (CRIM. CT. 1994) ("PLAYED FAIRLY, SKILL RATHER THAN CHANCE IS THE MATERIAL COMPONENT OF THREE-CARD MONTE.");

3. POKER IN MANY INSTANCES HAS BEEN DEFINED AS A GAME OF SKILL AND A NEW YORK FEDERAL COURT IN U.S. V. DICRISTINA, 886 F. SUPP. 2D 164, 224, ASSESSED THAT UNDER FEDERAL LAW POKER WAS PREDOMINANTLY A GAME OF SKILL;

4. NEW YORK COURTS HAVE INTERPRETED NEW YORK LAW TO APPLY A MORE RIGOROUS TEST IN IDENTIFYING A "CONTEST OF CHANCE" THAN IS APPLIED BY MOST STATES IN THIS NATION AND THE COURTS HAVE FOUND THAT WHERE A CONTEST PITS THE SKILL LEVELS OF THE PLAYERS AGAINST EACH OTHER, THOSE GAMES ARE GAMES OF SKILL AND NOT GAMES OF CHANCE. FURTHERMORE, THE COURTS HAVE NOT LIMITED THE LEGISLATURE'S ABILITY TO DETERMINE THAT CERTAIN FORMS OF POKER SHOULD FALL OUTSIDE THE GENERAL DEFINITION OF GAMBLING SINCE THOSE GAMES ARE GAMES OF SKILL;

5. TEXAS HOLD'EM POKER INVOLVES TWO CARDS DEALT FACE DOWN TO EACH PLAYER AND THEN FIVE COMMUNITY CARDS PLACED FACE-UP BY THE DEALER, A SERIES OF THREE, THEN TWO ADDITIONAL SINGLE CARDS, WITH PLAYERS DETERMINING WHETHER TO CHECK, BET, RAISE OR FOLD AFTER EACH DEAL. OMAHA HOLD'EM POKER IS A SIMILAR GAME, IN WHICH EACH PLAYER IS DEALT FOUR CARDS AND MAKES HIS OR HER BEST HAND USING EXACTLY TWO OF THEM, PLUS EXACTLY THREE OF THE FIVE COMMUNITY CARDS. THESE GAMES ARE CONSIDERED TO BE COMPLEX FORMS OF POKER WHICH INVOLVE PLAYER STRATEGY AND DECISION-MAKING AND WHICH PIT THE SKILL LEVELS OF THE PLAYERS AGAINST

EACH OTHER. AS GAMES OF SKILL, THESE FORMS OF POKER DO NOT FALL UNDER THE DEFINITION OF GAMBLING AS PROHIBITED BY THE PENAL LAW; AND

6. THE LEGISLATURE FURTHER FINDS THAT AS THE INTERNET HAS BECOME AN INTEGRAL PART OF SOCIETY, AND INTERNET POKER A MAJOR FORM OF ENTERTAINMENT FOR MANY CONSUMERS, ANY INTERACTIVE GAMING ENFORCEMENT AND REGULATORY STRUCTURE MUST BEGIN FROM THE BEDROCK PREMISE THAT PARTICIPATION IN A LAWFUL AND LICENSED GAMING INDUSTRY IS A PRIVILEGE AND NOT A RIGHT, AND THAT REGULATORY OVERSIGHT IS INTENDED TO SAFEGUARD THE INTEGRITY OF THE GAMES AND PARTICIPANTS AND TO ENSURE ACCOUNTABILITY AND THE PUBLIC TRUST.

S 1401. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED GAME" MEANS OMAHA HOLD'EM AND TEXAS HOLD'EM POKER, AS WELL AS ANY OTHER POKER GAME THAT THE COMMISSION DETERMINES IS THE MATERIAL EQUIVALENT OF EITHER OF THOSE, WHETHER IN A CASH GAME OR TOURNAMENT.

2. "AUTHORIZED PARTICIPANTS" MEANS PERSONS WHO ARE EITHER PHYSICALLY PRESENT IN THIS STATE WHEN PLACING A WAGER OR WHO OTHERWISE ARE PERMITTED BY APPLICABLE LAW, AS DETERMINED BY THE COMMISSION, TO PLACE A WAGER. THE INTERMEDIATE ROUTING OF ELECTRONIC DATA IN CONNECTION WITH INTERACTIVE GAMING SHALL NOT DETERMINE THE LOCATION OR LOCATIONS IN WHICH A WAGER IS INITIATED, RECEIVED OR OTHERWISE MADE.

3. "CORE FUNCTION" MEANS ANY OF THE FOLLOWING: (A) THE MANAGEMENT, ADMINISTRATION OR CONTROL OF WAGERS ON INTERACTIVE GAMING; (B) THE MANAGEMENT, ADMINISTRATION OR CONTROL OF THE GAMES WITH WHICH THOSE WAGERS ARE ASSOCIATED; OR (C) THE DEVELOPMENT, MAINTENANCE, PROVISION OR OPERATION OF AN INTERACTIVE GAMING PLATFORM.

4. "COMMISSION" MEANS THE NEW YORK STATE GAMING COMMISSION.

5. "DIVISION" MEANS THE DIVISION OF GAMING, ESTABLISHED UNDER PARAGRAPH (C) OF SUBDIVISION TWO OF SECTION ONE HUNDRED THREE OF THIS CHAPTER.

6. "INTERACTIVE GAMING" MEANS THE CONDUCT OF GAMES THROUGH THE USE OF THE INTERNET OR OTHER COMMUNICATIONS TECHNOLOGY THAT ALLOWS A PERSON, UTILIZING MONEY, CHECKS, ELECTRONIC CHECKS, ELECTRONIC TRANSFERS OF MONEY, CREDIT CARDS, DEBIT CARDS OR ANY OTHER INSTRUMENTALITY, TO TRANSMIT TO A COMPUTER INFORMATION TO ASSIST IN THE PLACING OF A WAGER AND CORRESPONDING INFORMATION RELATED TO THE DISPLAY OF THE GAME, GAME OUTCOMES OR OTHER SIMILAR INFORMATION. THE TERM DOES NOT INCLUDE THE CONDUCT OF (A) NON-GAMBLING GAMES THAT DO NOT OTHERWISE REQUIRE A LICENSE UNDER STATE OR FEDERAL LAW; OR (B) GAMES THAT OCCUR ENTIRELY AMONG PARTICIPANTS WHO ARE LOCATED ON A LICENSED CASINO PREMISES. FOR PURPOSES OF THIS PROVISION, "COMMUNICATIONS TECHNOLOGY" MEANS ANY METHOD USED AND THE COMPONENTS EMPLOYED BY AN ESTABLISHMENT TO FACILITATE THE TRANSMISSION OF INFORMATION, INCLUDING, WITHOUT LIMITATION, TRANSMISSION AND RECEPTION BY SYSTEMS BASED ON WIRE, CABLE, RADIO, MICROWAVE, LIGHT, OPTICS OR COMPUTER DATA NETWORKS, INCLUDING, WITHOUT LIMITATION, THE INTERNET AND INTRANETS.

7. "INTERACTIVE GAMING GROSS REVENUE" MEANS THE TOTAL OF ALL SUMS PAID TO A LICENSEE FROM INTERACTIVE GAMING INVOLVING AUTHORIZED PARTICIPANTS, LESS ONLY THE TOTAL OF ALL SUMS PAID OUT AS WINNINGS TO PATRONS AND PROMOTIONAL GAMING CREDITS; PROVIDED, HOWEVER, THAT THE CASH EQUIVALENT VALUE OF ANY MERCHANDISE OR OTHER NON-CASH THING OF VALUE INCLUDED IN A CONTEST OR TOURNAMENT SHALL NOT BE INCLUDED IN THE TOTAL OF ALL SUMS PAID OUT AS WINNINGS TO PLAYERS FOR PURPOSES OF DETERMINING INTERACTIVE GAMING GROSS REVENUE.

(A) NEITHER AMOUNTS DEPOSITED WITH A LICENSEE FOR PURPOSES OF INTERACTIVE GAMING NOR AMOUNTS TAKEN IN FRAUDULENT ACTS PERPETRATED AGAINST A LICENSEE FOR WHICH THE LICENSEE IS NOT REIMBURSED SHALL BE CONSIDERED TO HAVE BEEN "PAID" TO THE LICENSEE FOR PURPOSES OF CALCULATING INTERACTIVE GAMING GROSS REVENUE.

(B) "PROMOTIONAL GAMING CREDIT" INCLUDES BONUSES, PROMOTIONS AND ANY AMOUNT RECEIVED BY A LICENSEE FROM A PATRON FOR WHICH THE LICENSEE CAN DEMONSTRATE THAT IT OR ITS AFFILIATE HAS NOT RECEIVED CASH.

8. "INTERACTIVE GAMING PLATFORM" MEANS THE COMBINATION OF HARDWARE, SOFTWARE AND DATA NETWORKS USED TO MANAGE, ADMINISTER OR CONTROL WAGERS ON INTERACTIVE GAMING OR THE GAMES WITH WHICH THOSE WAGERS ARE ASSOCIATED.

9. "INTERNET" MEANS A COMPUTER NETWORK OF INTEROPERABLE PACKET-SWITCHED DATA NETWORKS.

10. "LICENSEE" MEANS A PERSON WHO IS LICENSED BY THE COMMISSION TO OFFER INTERACTIVE GAMING, USING AN INTERACTIVE GAMING PLATFORM TO AUTHORIZED PARTICIPANTS. A LICENSEE MAY UTILIZE MULTIPLE INTERACTIVE GAMING PLATFORMS PROVIDED THAT EACH PLATFORM IS APPROVED BY THE COMMISSION.

11. "OMAHA HOLD'EM POKER" MEANS THE POKER GAME MARKETED AS OMAHA HOLD'EM POKER OR OMAHA POKER IN WHICH EACH PLAYER IS DEALT FOUR CARDS AND MUST MAKE HIS OR HER BEST HAND USING EXACTLY TWO OF THEM, PLUS EXACTLY THREE OF THE FIVE COMMUNITY CARDS.

12. "SIGNIFICANT VENDOR" MEANS ANY PERSON WHO OFFERS OR WHO PROPOSES TO OFFER ANY OF THE FOLLOWING SERVICES WITH RESPECT TO INTERACTIVE GAMING: (A) A CORE FUNCTION; (B) SALE, LICENSING OR OTHER RECEIPT OF COMPENSATION FOR SELLING OR LICENSING A DATABASE OR CUSTOMER LIST OF INDIVIDUALS RESIDING IN THE UNITED STATES SELECTED IN WHOLE OR IN PART BECAUSE THEY PLACED WAGERS OR PARTICIPATED IN GAMBLING GAMES WITH OR THROUGH AN INTERNET WEBSITE OR OPERATOR (OR ANY DERIVATIVE OF SUCH A DATABASE OR CUSTOMER LIST); (C) PROVISION OF ANY TRADEMARK, TRADENAME, SERVICE MARK OR SIMILAR INTELLECTUAL PROPERTY UNDER WHICH A LICENSEE OR SIGNIFICANT VENDOR IDENTIFIES INTERACTIVE GAMES TO CUSTOMERS; OR (D) PROVISION OF ANY PRODUCT, SERVICE OR ASSET TO A LICENSEE OR SIGNIFICANT VENDOR IN RETURN FOR A PERCENTAGE OF INTERACTIVE GAMING REVENUE (NOT INCLUDING FEES TO FINANCIAL INSTITUTIONS AND PAYMENT PROVIDERS FOR FACILITATING A DEPOSIT OR WITHDRAWAL BY AN AUTHORIZED PARTICIPANT). THE TERM "SIGNIFICANT VENDOR" SHALL NOT INCLUDE A PROVIDER OF GOODS OR SERVICES TO A LICENSEE THAT ARE NOT SPECIFICALLY DESIGNED FOR USE AND NOT PRINCIPALLY USED IN CONNECTION WITH INTERACTIVE GAMING.

13. "TEXAS HOLD'EM POKER" MEANS THE TYPE OF POKER MARKETED AS TEXAS HOLD'EM POKER THAT INVOLVES TWO CARDS BEING DEALT FACE DOWN TO EACH PLAYER AND THEN FIVE COMMUNITY CARDS BEING PLACED FACE-UP BY THE DEALER, A SERIES OF THREE THEN TWO ADDITIONAL SINGLE CARDS, WITH PLAYERS HAVING THE OPTION TO CHECK, BET, RAISE OR FOLD AFTER EACH DEAL.

S 1402. AUTHORIZATION. 1. THE COMMISSION SHALL, WITHIN ONE HUNDRED EIGHTY DAYS OF THE DATE THIS ARTICLE BECOMES LAW, PROMULGATE REGULATIONS TO IMPLEMENT INTERACTIVE GAMING IN THIS STATE AND SHALL AUTHORIZE UP TO TEN LICENSES TO OPERATE INTERACTIVE GAMING INVOLVING AUTHORIZED PARTICIPANTS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE AND OTHER APPLICABLE PROVISIONS OF LAW.

2. APPLICANTS ELIGIBLE TO APPLY FOR A LICENSE PURSUANT TO THIS ARTICLE SHALL BE THOSE ENTITIES:

(A) LICENSED BY THE STATE PURSUANT TO SECTION SIXTEEN HUNDRED SEVENTEEN-A OF THE TAX LAW TO OPERATE VIDEO LOTTERY GAMING AND HAS EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING BY BEING LICENSED IN A STATE WITH

COMPARABLE LICENSING REQUIREMENTS OR GUARANTEES ACQUISITION OF ADEQUATE BUSINESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING; OR

(B) LICENSED BY THE STATE TO OPERATE A CLASS III GAMING FACILITY PURSUANT TO ARTICLE THIRTEEN OF THIS CHAPTER AND HAS EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING BY BEING LICENSED IN A STATE WITH COMPARABLE LICENSING REQUIREMENTS OR GUARANTEES ACQUISITION OF ADEQUATE BUSINESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING.

3. THE COMMISSION SHALL, TO THE EXTENT PRACTICABLE, ISSUE LICENSES TO MULTIPLE APPLICANTS NO SOONER THAN ONE HUNDRED EIGHTY DAYS AFTER THE PROMULGATION OF REGULATIONS IN ORDER TO ENSURE A ROBUST AND COMPETITIVE MARKET FOR CONSUMERS AND TO PREVENT EARLY LICENSEES FROM GAINING AN UNFAIR COMPETITIVE ADVANTAGE.

4. NO PERSON MAY OPERATE, MANAGE OR MAKE AVAILABLE AN INTERACTIVE GAMING PLATFORM OR ACT AS A SIGNIFICANT VENDOR WITH RESPECT TO INTERACTIVE GAMING THAT IS OFFERED TO PERSONS LOCATED IN THIS STATE UNLESS LICENSED BY THE COMMISSION PURSUANT TO THIS ARTICLE AND ONLY THOSE GAMES AUTHORIZED BY THE COMMISSION SHALL BE PERMITTED.

5. LICENSE APPLICANTS MAY FORM A PARTNERSHIP, JOINT VENTURE OR OTHER CONTRACTUAL ARRANGEMENT IN ORDER TO FACILITATE THE PURPOSES OF THIS ARTICLE.

6. ANY PERSON FOUND SUITABLE BY THE COMMISSION MAY BE ISSUED A LICENSE AS AN OPERATOR OR SIGNIFICANT VENDOR PURSUANT TO THIS ARTICLE. IN DETERMINING SUITABILITY, THE COMMISSION SHALL CONSIDER THOSE FACTORS IT DEEMS RELEVANT IN ITS DISCRETION, INCLUDING BUT NOT LIMITED TO:

(A) WHETHER THE APPLICANT IS A PERSON OF GOOD CHARACTER, HONESTY AND INTEGRITY;

(B) WHETHER THE APPLICANT IS PERSON WHOSE PRIOR ACTIVITIES, CRIMINAL RECORD, IF ANY, REPUTATION, HABITS AND ASSOCIATIONS DO NOT:

(I) POSE A THREAT TO THE PUBLIC INTEREST OR TO THE EFFECTIVE REGULATION AND CONTROL OF INTERACTIVE GAMING; OR

(II) CREATE OR ENHANCE THE DANGERS OF UNSUITABLE, UNFAIR OR ILLEGAL PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF INTERACTIVE GAMING OR IN THE CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCIDENTAL TO SUCH GAMING;

(C) WHETHER THE APPLICANT IS CAPABLE OF AND LIKELY TO CONDUCT THE ACTIVITIES FOR WHICH THE APPLICANT IS LICENSED IN ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE, ANY REGULATIONS PRESCRIBED UNDER THIS ARTICLE AND ALL OTHER APPLICABLE LAWS;

(D) WHETHER THE APPLICANT HAS OR GUARANTEES ACQUISITION OF ADEQUATE BUSINESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF LICENSED GAMING OR OF INTERACTIVE GAMING IN THIS STATE OR IN A STATE WITH COMPARABLE LICENSING REQUIREMENTS; AND

(E) WHETHER THE APPLICANT HAS OR WILL OBTAIN SUFFICIENT FINANCING FOR THE NATURE OF THE PROPOSED OPERATION AND FROM A SUITABLE SOURCE.

7. THE COMMISSION FURTHER SHALL DEVELOP STANDARDS BY WHICH TO EVALUATE AND APPROVE INTERACTIVE GAMING PLATFORMS FOR USE WITH INTERACTIVE GAMING. INTERACTIVE GAMING PLATFORMS MUST BE APPROVED BY THE COMMISSION BEFORE BEING USED BY A LICENSEE OR SIGNIFICANT VENDOR TO CONDUCT INTERACTIVE GAMING IN THIS STATE.

8. THE COMMISSION SHALL REQUIRE ALL LICENSEES TO PAY A ONE-TIME FEE OF TEN MILLION DOLLARS. SUCH FEE PAID BY EACH LICENSEE SHALL BE APPLIED TO SATISFY, IN WHOLE OR IN PART, AS APPLICABLE, THAT LICENSEE'S TAX OBLIGATION PURSUANT TO SECTION FOURTEEN HUNDRED FIVE OF THIS ARTICLE IN THIRTY-SIX EQUAL MONTHLY INSTALLMENTS, ALLOCATED TO EACH OF THE FIRST THIRTY-SIX MONTHS OF TAX OWED AFTER THE LICENSEE HAS BEGUN OPERATING

INTERACTIVE GAMING PURSUANT TO THIS ARTICLE. NO AMOUNTS NOT REQUIRED TO BE USED TO SATISFY SUCH TAX OBLIGATION DURING THAT PERIOD SHALL BE ALLOCATED TO PAYMENT OF SUCH TAX OBLIGATION AFTER THAT PERIOD.

9. LICENSES ISSUED BY THE COMMISSION SHALL REMAIN IN EFFECT FOR TEN YEARS.

10. THE COMMISSION, BY REGULATION, MAY AUTHORIZE AND PROMULGATE ANY RULES NECESSARY TO IMPLEMENT AGREEMENTS WITH OTHER STATES, OR AUTHORIZED AGENCIES THEREOF (A) TO ENABLE PATRONS IN THOSE STATES TO PARTICIPATE IN INTERACTIVE GAMING OFFERED BY LICENSEES UNDER THIS ARTICLE OR (B) TO ENABLE PATRONS IN THIS STATE TO PARTICIPATE IN INTERACTIVE GAMING OFFERED BY LICENSEES UNDER THE LAWS OF THOSE OTHER STATES, PROVIDED THAT SUCH OTHER STATE OR AUTHORIZED AGENCY APPLIES SUITABILITY STANDARDS AND REVIEW MATERIALLY CONSISTENT WITH THE PROVISIONS OF THIS ARTICLE.

11. ANY REGULATIONS ADOPTED PURSUANT TO SUBDIVISION TEN OF THIS SECTION MUST SET FORTH PROVISIONS THAT ADDRESS:

(A) ANY ARRANGEMENTS TO SHARE REVENUE BETWEEN NEW YORK AND ANY OTHER STATE OR AGENCY WITHIN ANOTHER STATE; AND

(B) ARRANGEMENTS TO ENSURE THE INTEGRITY OF INTERACTIVE GAMING OFFERED PURSUANT TO ANY SUCH AGREEMENT AND THE PROTECTION OF PATRONS LOCATED IN THIS STATE.

12. THE COMMISSION MAY DELEGATE ITS RESPONSIBILITIES TO ADMINISTER THE PROVISIONS OF THIS ARTICLE TO THE DIVISION, AS IT SEES FIT, EXCEPT FOR ITS RESPONSIBILITIES TO APPROVE LICENSES.

S 1403. REQUIRED SAFEGUARDS/MINIMUM STANDARDS. THE COMMISSION SHALL REQUIRE LICENSEES TO IMPLEMENT MEASURES TO MEET THE STANDARDS SET OUT IN THIS SECTION, ALONG WITH SUCH OTHER STANDARDS THAT THE COMMISSION IN ITS DISCRETION MAY CHOOSE TO REQUIRE.

(A) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT PARTICIPANTS IN INTERACTIVE GAMING ARE NOT YOUNGER THAN TWENTY-ONE YEARS OF AGE.

(B) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT PARTICIPANTS IN INTERACTIVE GAMING ARE PHYSICALLY LOCATED WITHIN THE STATE OR SUCH OTHER JURISDICTION THAT THE COMMISSION HAS DETERMINED TO BE PERMISSIBLE.

(C) APPROPRIATE SAFEGUARDS TO PROTECT, TO A REASONABLE DEGREE OF CERTAINTY, THE PRIVACY AND ONLINE SECURITY OF PARTICIPANTS IN INTERACTIVE GAMING.

(D) APPROPRIATE SAFEGUARDS TO ENSURE, TO A REASONABLE DEGREE OF CERTAINTY, THAT THE INTERACTIVE GAMING IS FAIR AND HONEST AND THAT APPROPRIATE MEASURES ARE IN PLACE TO DETER, DETECT AND, TO THE EXTENT REASONABLY POSSIBLE, TO PREVENT CHEATING, INCLUDING COLLUSION, AND USE OF CHEATING DEVICES, INCLUDING USE OF SOFTWARE PROGRAMS (SOMETIMES REFERRED TO AS "BOTS") THAT MAKE BETS OR WAGERS ACCORDING TO ALGORITHMS.

(E) APPROPRIATE SAFEGUARDS TO MINIMIZE COMPULSIVE GAMING AND TO PROVIDE NOTICE TO PARTICIPANTS OF RESOURCES TO HELP PROBLEM GAMBLERS.

(F) APPROPRIATE SAFEGUARDS TO ENSURE PARTICIPANTS' FUNDS ARE HELD IN ACCOUNTS SEGREGATED FROM THE FUNDS OF LICENSEES AND OTHERWISE ARE PROTECTED FROM CORPORATE INSOLVENCY, FINANCIAL RISK OR CRIMINAL OR CIVIL ACTIONS AGAINST THE LICENSEE.

S 1404. SCOPE OF LICENSING REVIEW. 1. IN CONNECTION WITH ANY LICENSE ISSUED PURSUANT TO THIS ARTICLE, THE LICENSEE, SIGNIFICANT VENDOR OR APPLICANT SHALL IDENTIFY AND THE COMMISSION SHALL REVIEW THE SUITABILITY OF SUCH LICENSEE'S, SIGNIFICANT VENDOR'S OR APPLICANT'S OWNER, CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND ANY OTHER OFFICER OR EMPLOYEE WHO THE COMMISSION DEEMS IS SIGNIFICANTLY INVOLVED IN THE MANAGEMENT OR CONTROL OF THE LICENSEE, SIGNIFICANT VENDOR OR APPLICANT

OR OF THE INTERACTIVE GAMING PLATFORM. "OWNER" FOR PURPOSES OF THIS PROVISION MEANS ANY PERSON WHO DIRECTLY OR INDIRECTLY HOLDS ANY BENEFICIAL OR OWNERSHIP INTEREST IN THE APPLICANT OF FIVE PERCENT OR GREATER OR ANY AMOUNT OF OWNERSHIP THAT THE COMMISSION DETERMINES TO BE SIGNIFICANT OWNERSHIP OF THE LICENSEE, SIGNIFICANT VENDOR, OR APPLICANT.

2. INSTITUTIONAL INVESTORS ARE SUBJECT TO THE PROVISIONS SET OUT IN THIS SECTION.

(A) AN INSTITUTIONAL INVESTOR HOLDING UNDER TWENTY-FIVE PERCENT OF THE EQUITY SECURITIES OF A LICENSEE'S OR SIGNIFICANT VENDOR'S (OR APPLICANT'S) HOLDING OR INTERMEDIARY COMPANIES, SHALL BE GRANTED A WAIVER OF ANY INVESTIGATION OF SUITABILITY OR OTHER REQUIREMENT IF SUCH SECURITIES ARE THOSE OF A CORPORATION, WHETHER PUBLICLY TRADED OR PRIVATELY HELD, AND ITS HOLDINGS OF SUCH SECURITIES WERE PURCHASED FOR INVESTMENT PURPOSES ONLY AND IT FILES A CERTIFIED STATEMENT TO THE EFFECT THAT IT HAS NO INTENTION OF INFLUENCING OR AFFECTING THE AFFAIRS OF THE ISSUER, THE LICENSEE (OR SIGNIFICANT VENDOR OR APPLICANT, AS APPLICABLE) OR ITS HOLDING OR INTERMEDIARY COMPANIES; PROVIDED, HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. THE COMMISSION MAY GRANT SUCH A WAIVER TO AN INSTITUTIONAL INVESTOR HOLDING A HIGHER PERCENTAGE OF SUCH SECURITIES UPON A SHOWING OF GOOD CAUSE AND IF THE CONDITIONS SPECIFIED ABOVE ARE MET. ANY INSTITUTIONAL INVESTOR GRANTED A WAIVER UNDER THIS PARAGRAPH WHICH SUBSEQUENTLY DETERMINES TO INFLUENCE OR AFFECT THE AFFAIRS OF THE ISSUER SHALL PROVIDE NOT LESS THAN THIRTY DAYS' NOTICE OF SUCH INTENT AND SHALL FILE WITH THE COMMISSION A REQUEST FOR DETERMINATION OF SUITABILITY BEFORE TAKING ANY ACTION THAT MAY INFLUENCE OR AFFECT THE AFFAIRS OF THE ISSUER; PROVIDED, HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. IF AN INSTITUTIONAL INVESTOR CHANGES ITS INVESTMENT INTENT, OR IF THE COMMISSION FINDS REASONABLE CAUSE TO BELIEVE THAT THE INSTITUTIONAL INVESTOR MAY BE FOUND UNSUITABLE, NO ACTION OTHER THAN DIVESTITURE SHALL BE TAKEN BY SUCH INVESTOR WITH RESPECT TO ITS SECURITY HOLDINGS UNTIL THERE HAS BEEN COMPLIANCE WITH ANY REQUIREMENTS ESTABLISHED BY THE COMMISSION, WHICH MAY INCLUDE THE EXECUTION OF A TRUST AGREEMENT. THE LICENSEE (OR SIGNIFICANT VENDOR OR APPLICANT, AS APPLICABLE) AND ITS RELEVANT HOLDING, INTERMEDIARY OR SUBSIDIARY COMPANY SHALL NOTIFY THE COMMISSION IMMEDIATELY OF ANY INFORMATION ABOUT, OR ACTIONS OF, AN INSTITUTIONAL INVESTOR HOLDING ITS EQUITY SECURITIES WHERE SUCH INFORMATION OR ACTION MAY IMPACT UPON THE ELIGIBILITY OF SUCH INSTITUTIONAL INVESTOR FOR A WAIVER PURSUANT TO THIS PARAGRAPH.

(B) IF AT ANY TIME THE COMMISSION FINDS THAT AN INSTITUTIONAL INVESTOR HOLDING ANY SECURITY OF A HOLDING OR INTERMEDIARY COMPANY OF A LICENSEE OR SIGNIFICANT VENDOR OR APPLICANT, OR, WHERE RELEVANT, OF ANOTHER SUBSIDIARY COMPANY OF A HOLDING OR INTERMEDIARY COMPANY OF A LICENSEE OR SIGNIFICANT VENDOR OR APPLICANT WHICH IS RELATED IN ANY WAY TO THE FINANCING OF THE LICENSEE OR SIGNIFICANT VENDOR OR APPLICANT, FAILS TO COMPLY WITH THE TERMS OF PARAGRAPH (A) OF THIS SECTION, OR IF AT ANY TIME THE COMMISSION FINDS THAT, BY REASON OF THE EXTENT OR NATURE OF ITS HOLDINGS, AN INSTITUTIONAL INVESTOR IS IN A POSITION TO EXERCISE SUCH A SUBSTANTIAL IMPACT UPON THE CONTROLLING INTERESTS OF A LICENSEE OR SIGNIFICANT VENDOR OR APPLICANT THAT INVESTIGATION AND DETERMINATION OF SUITABILITY OF THE INSTITUTIONAL INVESTOR IS NECESSARY TO PROTECT THE PUBLIC INTEREST, THE COMMISSION MAY TAKE ANY NECESSARY ACTION OTHERWISE AUTHORIZED UNDER THIS ARTICLE TO PROTECT THE PUBLIC INTEREST.

(C) FOR PURPOSES OF THIS SECTION, AN "INSTITUTIONAL INVESTOR" SHALL MEAN ANY RETIREMENT FUND ADMINISTERED BY A PUBLIC AGENCY FOR THE EXCLU-

SIVE BENEFIT OF FEDERAL, STATE, OR LOCAL PUBLIC EMPLOYEES; INVESTMENT COMPANY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 (15 U.S.C. S 80A-1 ET SEQ.); COLLECTIVE INVESTMENT TRUST ORGANIZED BY BANKS UNDER PART NINE OF THE RULES OF THE COMPTROLLER OF THE CURRENCY; CLOSED END INVESTMENT TRUST; CHARTERED OR LICENSED LIFE INSURANCE COMPANY OR PROPERTY AND CASUALTY INSURANCE COMPANY; BANKING AND OTHER CHARTERED OR LICENSED LENDING INSTITUTION; INVESTMENT ADVISOR REGISTERED UNDER THE INVESTMENT ADVISORS ACT OF 1940 (15 U.S.C. S 80B-1 ET SEQ.); AND SUCH OTHER PERSONS AS THE COMMISSION MAY DETERMINE FOR REASONS CONSISTENT WITH THE PUBLIC INTEREST.

S 1405. STATE TAX. LICENSEES ENGAGED IN THE BUSINESS OF CONDUCTING INTERACTIVE GAMING PURSUANT TO THIS ARTICLE SHALL PAY A PRIVILEGE TAX BASED ON THE LICENSEE'S INTERACTIVE GAMING GROSS REVENUE AT A FIFTEEN PERCENT RATE.

S 2. Subdivision 1 of section 225.00 of the penal law is amended to read as follows:

1. "Contest of chance" means any contest, game, gaming scheme or gaming device in which the outcome depends [in a material degree] PREDOMINANTLY upon an element of chance, notwithstanding that skill of the contestants may also be a factor therein.

S 3. The penal law is amended by adding a new section 225.36 to read as follows:

S 225.36 INTERACTIVE GAMING OFFENSES AND EXCEPTIONS.

1. THE KNOWING AND WILLFUL OFFERING OF UNLICENSED INTERACTIVE GAMING TO PERSONS IN THIS STATE, OR THE KNOWING AND WILLFUL PROVISION OF SERVICES WITH RESPECT THERETO, SHALL CONSTITUTE A GAMBLING OFFENSE UNDER THIS ARTICLE.

2. LICENSED INTERACTIVE GAMING ACTIVITIES UNDER SECTION FOURTEEN HUNDRED TWO OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW SHALL NOT BE A GAMBLING OFFENSE UNDER THIS ARTICLE.

3. A PERSON OFFERING UNLICENSED INTERACTIVE GAMING TO PERSONS IN THIS STATE SHALL BE LIABLE FOR ALL TAXES SET FORTH IN SECTION FOURTEEN HUNDRED FIVE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW IN THE SAME MANNER AND AMOUNTS AS IF SUCH PERSON WERE A LICENSEE. TIMELY PAYMENT OF SUCH TAXES SHALL NOT CONSTITUTE A DEFENSE TO ANY PROSECUTION OR OTHER PROCEEDING IN CONNECTION WITH THE INTERACTIVE GAMING EXCEPT FOR A PROSECUTION OR PROCEEDING ALLEGING FAILURE TO MAKE SUCH PAYMENT.

S 4. Severability clause. If any provision of this act or application thereof shall for any reason be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder of the act, but shall be confined in its operation to the provision thereof directly involved in the controversy in which the judgment shall have been rendered.

S 5. This act shall take effect on the one hundred eightieth day after it shall have become a law.

PART GGG

Section 1. a. Notwithstanding any other provision of law or regulation to the contrary, up to five hundred thousand dollars of the funds in a capital acquisition fund, established pursuant to section 509-a of the racing, pari-mutuel wagering and breeding law shall be available once per annum to a regional off-track betting corporation for any corporate purpose; provided, however, that such regional off-track betting corporation is not utilizing its capital acquisition fund for corporate purposes as provided in section 3 of part II of chapter 58 of the laws

of 2012, and further provided, that at a time and in a manner to be determined and prescribed by the New York state gaming commission, at least ten percent of such amount shall be distributed among the participating counties on the basis of population, as defined as the total population in each participating county shown by the latest preceding decennial federal census completed and published as a final population count by the United States bureau of the census preceding the commencement of the calendar year in which such distribution is to be made.

b. A regional off-track betting corporation that chooses to utilize its capital acquisition fund for corporate purposes as provided in subdivision a of this section shall do so by providing written notification to the New York state gaming commission, including any information which such commission may require, at least fifteen days in advance of its decision to utilize monies for corporate purposes.

S 2. This act shall take effect immediately.

PART HHH

Section 1. Section 1325 of the racing, pari-mutuel wagering and breeding law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

S 1325. Approval, denial and renewal of employee licenses and registrations. 1. Upon the filing of an application for a casino key employee license or gaming employee registration required by this article and after submission of such supplemental information as the commission may require, the commission shall conduct or cause to be conducted such investigation into the qualification of the applicant, WHICH SHALL INCLUDE THE COMPLETION OF A CRIMINAL BACKGROUND CHECK BY THE DIVISION OF THE STATE POLICE OF SUCH APPLICANT, and the commission shall conduct such hearings concerning the qualification of the applicant, in accordance with its regulations, as may be necessary to determine qualification for such license.

1-A. THE COST OF ANY SUCH BACKGROUND CHECK SHALL BE BORNE BY THE GAMING FACILITY THAT INITIALLY EMPLOYS OR EXTENDS EMPLOYMENT TO A LICENSEE PURSUANT TO THIS TITLE AFTER THE APPROVAL OR RENEWAL OF A LICENSE PURSUANT TO THIS TITLE AND SHALL BE PAID IN A TIME AND MANNER DETERMINED BY THE COMMISSION.

2. After such investigation, the commission may either deny the application or grant a license to an applicant whom it determines to be qualified to hold such license.

3. The commission shall have the authority to deny any application pursuant to the provisions of this article following notice and opportunity for hearing.

4. When the commission grants an application, the commission may limit or place such restrictions thereupon as it may deem necessary in the public interest.

5. After an application for a casino key employee license is submitted, final action of the commission shall be taken within ninety days after completion of all hearings and investigations and the receipt of all information required by the commission.

6. Licenses and registrations of casino key employees and gaming employees issued pursuant to this article shall remain valid for five years unless suspended, revoked or voided pursuant to law. Such licenses and registrations may be renewed by the holder thereof upon application, on a form prescribed by the commission, and payment of the applicable fee. Notwithstanding the forgoing, if a gaming employee registrant has

not been employed in any position within a gaming facility for a period of three years, the registration of that gaming employee shall lapse.

8. The commission shall establish by regulation appropriate fees to be paid upon the filing of the required applications. Such fees shall be deposited into the commercial gaming revenue fund.

S 2. This act shall take effect immediately.

PART III

Section 1. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(CCC) GREEN BUILDING CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE PROVIDED THAT SUCH TAXPAYER CONSTRUCTS OR REHABILITATES QUALIFYING RESIDENTIAL REAL PROPERTY IN CONFORMITY WITH ENERGY EFFICIENCY STANDARDS ESTABLISHED BY THE NATIONAL ASSOCIATION OF HOME BUILDERS OR THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN RATING SYSTEM DEVELOPED BY THE UNITED STATES GREEN BUILDING COUNCIL AND FASHIONS PROOF THEREOF IN ACCORDANCE WITH RULES AND REGULATIONS PROMULGATED BY THE COMMISSIONER OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION IN CONJUNCTION WITH THE COMMISSIONER.

(2) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO THE ALLOWABLE COSTS PAID OR INCURRED BY THE TAXPAYER, IF THE OWNER, FOR EITHER THE CONSTRUCTION OR REHABILITATION OF QUALIFYING RESIDENTIAL REAL PROPERTY IN CONFORMITY WITH ENERGY EFFICIENCY STANDARDS ESTABLISHED BY THE NATIONAL ASSOCIATION OF HOME BUILDERS OR THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN RATING SYSTEM DEVELOPED BY THE UNITED STATES GREEN BUILDING COUNCIL; PROVIDED, HOWEVER, THAT SUCH CREDIT SHALL NOT EXCEED TEN THOUSAND DOLLARS AND SHALL NOT BE AWARDED MORE THAN ONCE IN A PERIOD OF TEN YEARS.

(3) FOR THE PURPOSE OF THIS SUBSECTION, "ALLOWABLE COSTS" MEANS AMOUNTS PROPERLY CHARGEABLE TO AN ACCOUNT (OTHER THAN FOR LAND), WHICH ARE PAID OR INCURRED ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, FOR: CONSTRUCTION OR REHABILITATION; COMMISSIONING COSTS; INTEREST PAID OR INCURRED DURING THE CONSTRUCTION OR REHABILITATION PERIOD; LEGAL, ARCHITECTURAL, ENGINEERING AND OTHER PROFESSIONAL FEES ALLOCABLE TO CONSTRUCTION OR REHABILITATION; CLOSING COSTS FOR CONSTRUCTION, REHABILITATION OR MORTGAGE LOANS; RECORDING TAXES AND FILING FEES INCURRED WITH RESPECT TO CONSTRUCTION OR REHABILITATION; SITE COSTS (SUCH AS TEMPORARY ELECTRIC WIRING, SCAFFOLDING, DEMOLITION COSTS, AND FENCING AND SECURITY FACILITIES); AND COSTS OF FURNITURE, CARPETING, PARTITIONS, WALLS AND WALL COVERINGS, CEILINGS, DRAPES, BLINDS, LIGHTING, PLUMBING, ELECTRICAL WIRING AND VENTILATION; PROVIDED THAT SUCH COSTS SHALL NOT INCLUDE THE COST OF TELEPHONE SYSTEMS AND COMPUTERS (OTHER THAN ELECTRICAL WIRING COSTS) AND SHALL NOT INCLUDE THE COST OF FUEL CELLS OR PHOTOVOLTAIC MODULES (INCLUDING INSTALLATION) OR THE COST OF NEW AIR CONDITIONING EQUIPMENT USING AN EPA-APPROVED NON-OZONE DEPLETING REFRIGERANT OR OTHER EPA-APPROVED REFRIGERANT APPROVED BY THE COMMISSIONER OF ENVIRONMENTAL CONSERVATION (EXCLUDING INSTALLATION).

(4) FOR THE PURPOSES OF THIS SUBSECTION "QUALIFYING RESIDENTIAL REAL PROPERTY" SHALL MEAN THE PRINCIPAL PLACE OF RESIDENCE OF AN INDIVIDUAL TAXPAYER WHO CLAIMS A CREDIT PURSUANT TO THIS SUBSECTION. IN THE EVENT THAT SUCH PLACE OF RESIDENCE IS A MULTIPLE DWELLING, AS DEFINED BY SUBDIVISION SEVEN OF SECTION FOUR OF THE MULTIPLE DWELLING LAW, ALLOWABLE COSTS SHALL ONLY CONSTITUTE THOSE COSTS INCURRED DUE TO CONSTRUCTION OR REHABILITATION UNDERTAKEN ON THE PORTION OF THE DWELLING THAT CONSTITUTES AN INDIVIDUAL TAXPAYER'S UNIT.

(5) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS FOR UP TO FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(6) THE COMMISSIONER OF THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION, IN CONJUNCTION WITH THE COMMISSIONER, SHALL PROMULGATE SUCH RULES AND REGULATIONS AS MAY BE NECESSARY FOR THE DISTRIBUTION OF THE CREDIT ESTABLISHED BY THIS SUBSECTION.

S 2. This act shall take effect immediately and shall apply to taxable years beginning on and after January 1, 2017.

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 III of this act shall be as specifically set forth in the last section of such Parts.