

6409--B

I N   S E N A T E

January 14, 2016

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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:

1 Section 1. This act enacts into law major components of legislation  
2 which are necessary to implement the state fiscal plan for the 2016-2017  
3 state fiscal year. Each component is wholly contained within a Part  
4 identified as Parts A through III. The effective date for each partic-  
5 ular provision contained within such Part is set forth in the last  
6 section of such Part. Any provision in any section contained within a  
7 Part, including the effective date of the Part, which makes a reference  
8 to a section "of this act", when used in connection with that particular  
9 component, shall be deemed to mean and refer to the corresponding  
10 section of the Part in which it is found. Section three of this act sets  
11 forth the general effective date of this act.

12 PART A

13 Intentionally Omitted

14 PART B

15 Intentionally Omitted

16 PART C

17 Intentionally Omitted

18 PART D

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

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

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

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

18 8-A. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LOCAL  
19 GOVERNING BODY OF A MUNICIPAL CORPORATION THAT IS AUTHORIZED TO ADOPT A  
20 LOCAL LAW PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION IS FURTHER  
21 AUTHORIZED TO ADOPT A LOCAL LAW PROVIDING THAT WHERE A RENEWAL APPLICA-  
22 TION FOR THE EXEMPTION AUTHORIZED BY THIS SECTION HAS NOT BEEN FILED ON  
23 OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD  
24 CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT  
25 DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING TAXES WITHOUT  
26 INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE ASSESSOR  
27 ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION.  
28 SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS  
29 MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING  
30 THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE.  
31 THE ASSESSOR MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF  
32 HE OR SHE IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO  
33 FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II)  
34 THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE ASSESSOR SHALL  
35 MAIL NOTICE OF HIS OR HER DETERMINATION TO THE OWNER. IF THE DETERMI-  
36 NATION STATES THAT THE ASSESSOR HAS GRANTED THE EXEMPTION, HE OR SHE  
37 SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT  
38 ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE  
39 ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE  
40 CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE TAXES ARE LEVIED, THE  
41 FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX  
42 SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTI-  
43 CLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

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

46 PART E

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

49 (EEE) SCHOOL TAX REDUCTION CREDIT FOR RESIDENTS OF A CITY WITH A POPU-  
50 LATION OVER ONE MILLION. (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOU-  
51 SAND FIFTEEN, A SCHOOL TAX REDUCTION CREDIT SHALL BE ALLOWED TO A RESI-  
52 DENT INDIVIDUAL OF THE STATE WHO IS A RESIDENT OF A CITY WITH A  
53 POPULATION OVER ONE MILLION, AS PROVIDED BELOW. THE CREDIT SHALL BE  
54 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

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

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

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

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

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

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

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

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

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

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

44 PART I

45 Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B  
46 of the tax law, as added by section 17 of part A of chapter 59 of the  
47 laws of 2014, are amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

49 S. 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the  
50 tax law, as added by section 5 of part AA of chapter 59 of the laws of  
51 2013, are amended to read as follows:

52 (1) Allowance of credit. For taxable years beginning on or after Janu-  
53 ary first, two thousand fifteen and before January first, two thousand  
54 [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be  
55 computed as provided in this subdivision, against the tax imposed by  
56 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.

1

## PART K

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

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

13 S 2. Paragraph (c) of subdivision 38 of section 210-B of the tax law,  
14 as added by section 17 of part A of chapter 59 of the laws of 2014, is  
15 amended to read as follows:

16 (c) Application of credit. In no event shall the credit allowed under  
17 this subdivision for any taxable year reduce the tax due for such year  
18 to less than the amount prescribed in paragraph (d) of subdivision one  
19 of section two hundred ten of this article. However, if the amount of  
20 credit allowed under this subdivision for any taxable year reduces the  
21 tax to such amount or if the taxpayer otherwise pays tax based on the  
22 fixed dollar minimum amount, any amount of credit thus not deductible in  
23 such taxable year shall be carried over to the following year or years,  
24 and may be deducted from the taxpayer's tax for such year or years. THE  
25 TAX CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION SHALL NOT APPLY TO TAXA-  
26 BLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND  
27 TWENTY-THREE.

28 S 3. This act shall take effect immediately.

29

## PART L

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

34 S 2. This act shall take effect immediately and shall apply to taxable  
35 years beginning on or after January 1, 2006 [and before January 1,  
36 2017].

37 S 2. This act shall take effect immediately.

38

## PART M

39 Section 1. Section 12 of part N of chapter 61 of the laws of 2005,  
40 amending the tax law relating to certain transactions and related infor-  
41 mation and relating to the voluntary compliance initiative, as amended  
42 by section 1 of part B of chapter 61 of the laws of 2011, is amended to  
43 read as follows:

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

1 were required to be filed with the internal revenue service with respect  
2 to "reportable transactions" as described in such paragraph 1, other  
3 than "listed transactions", in which a taxpayer participated during any  
4 taxable year for which the statute of limitations for assessment has not  
5 expired as of the date this act shall take effect, and shall apply to  
6 returns or statements described in such paragraph 1 required to be filed  
7 by taxpayers (or persons as described in such paragraph) with the  
8 commissioner of taxation and finance on or after the sixtieth day after  
9 this act shall have become a law; and  
10 (ii) sections two through four and seven through nine of this act  
11 shall apply to any tax liability for which the statute of limitations on  
12 assessment has not expired as of the date this act shall take effect;  
13 and  
14 (iii) provided, further, that the provisions of this act, except  
15 section five of this act, shall expire and be deemed repealed July 1,  
16 [2015] 2017; provided, that, such expiration and repeal shall not affect  
17 any requirement imposed pursuant to this act.  
18 S 2. This act shall take effect immediately and shall be deemed to  
19 have been in full force and effect on and after July 1, 2015; provided,  
20 however that notwithstanding the provisions of article 5 of the general  
21 construction law, the provisions of section 25, paragraph 11 of  
22 subsection (c) of section 683, subsections (p), (p-1), (x), (y), (z),  
23 (aa) and (bb) of section 685, paragraph 11 of subsection (c) of section  
24 1083, subsections (k), (k-1), (p), (q), (r), (s) and (t) of section 1085  
25 of the tax law, and section 11 of part N of chapter 61 of the laws of  
26 2005, are hereby revived and shall continue in full force and effect as  
27 such provisions existed on July 1, 2015.

28 PART N

29 Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax  
30 law, as added by section 17 of part A of chapter 59 of the laws of 2014,  
31 is amended to read as follows:

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

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

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

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

3 S 3. This act shall take effect immediately.

4 PART O

5 Intentionally Omitted

6 PART P

7 Section 1. This act enacts into law major components of legislation.  
8 Each component is wholly contained within a Subpart identified as  
9 Subparts A through G. The effective date for each particular provision  
10 contained within such Subpart is set forth in the last section of such  
11 Subpart. Any provision in any section contained within a Subpart,  
12 including the effective date of the Subpart, which makes references to a  
13 section "of this act", when used in connection with that particular  
14 component, shall be deemed to mean and refer to the corresponding  
15 section of the Subpart in which it is found. Section three of this act  
16 sets forth the general effective date of this act.

17 SUBPART A

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

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

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

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

25 S 2. Subdivision (a) and paragraphs 2, 4, and 5 of subdivision (e) of  
26 section 38 of the tax law, as added by section 1 of part EE of chapter  
27 59 of the laws of 2013, are amended to read as follows:

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

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

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

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

36 S 3. Paragraph (e) of subdivision 1 of section 209 of the tax law, as  
37 added by section 5 of part A of chapter 59 of the laws of 2014, is  
38 amended to read as follows:

39 (e) At the end of each year, the commissioner shall review the cumula-  
40 tive percentage change in the consumer price index. The commissioner  
41 shall adjust the receipt thresholds set forth in this subdivision if the  
42 consumer price index has changed by ten percent or more since January  
43 first, two thousand fifteen, or since the date that the thresholds were  
44 last adjusted under this subdivision. The thresholds shall be adjusted  
45 to reflect that cumulative percentage change in the consumer price  
46 index. The adjusted thresholds shall be rounded to the nearest one thou-  
47 sand dollars. As used in this paragraph, "consumer price index" means  
48 the consumer price index for all urban consumers (CPI-U) available  
49 [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,

1 that corporation will be presumed to be conducting a business that is  
2 not unitary with the business of the taxpayer.

3 S 12. Subparagraph 2 of paragraph (a) of subdivision 18 of section  
4 11-654 of the administrative code of the city of New York, as added by  
5 section 1 of part D of chapter 60 of the laws of 2015, is amended to  
6 read as follows:

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

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

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

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

34 S 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section  
35 11-654 of the administrative code of the city of New York, as added by  
36 section 1 of part D of chapter 60 of the laws of 2015, is amended to  
37 read as follows:

38 (1) Notwithstanding anything to the contrary in paragraph (a) of this  
39 subdivision, in the case of a corporation that, before the application  
40 of this subdivision or any other credit allowed by this section, is  
41 liable for the tax on business income under clause (i) of subparagraph  
42 one of paragraph (e) of subdivision one of this section, the credit or  
43 the sum of the credits that may be taken by such corporation for a taxa-  
44 ble year under this subdivision with respect to an unincorporated busi-  
45 ness or unincorporated businesses in which it is a partner shall not  
46 exceed the tax so computed, without allowance of any credits allowed by  
47 this section, multiplied by a fraction the numerator of which is four  
48 and the denominator of which is eight and eighty-five one-hundredths  
49 [provided, however], EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION  
50 AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDI-  
51 VISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of  
52 a taxpayer that is subject to paragraph (j) or (k) of subdivision one of  
53 this section, such denominator shall be the rate of tax as determined by  
54 such paragraph (j) or (k) for the taxable year. If the credit allowed  
55 under this subdivision or the sum of such credits exceeds the product of  
56 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.

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

9 SUBPART B

10 Section 1. Paragraph (b) of subdivision 9 of section 210-B of the tax  
11 law, as added by section 17 of part A of chapter 59 of the laws of 2014,  
12 is amended to read as follows:

13 (b) [Carryover.] REFUND. In no event shall the credit herein provided  
14 for be allowed in an amount which will reduce the tax payable to less  
15 than the fixed dollar minimum amount prescribed in paragraph (d) of  
16 subdivision one of section two hundred ten of this article. If, however,  
17 the amount of credit allowable under this subdivision for any taxable  
18 year, including any credit carried over from a prior taxable year,  
19 reduces the tax to such amount or if the taxpayer otherwise pays tax  
20 based on the fixed dollar minimum amount, any amount of credit not  
21 deductible in such taxable year may be carried over to the following  
22 year or years and may be deducted from the taxpayer's tax for such year  
23 or years. PROVIDED, HOWEVER, IN LIEU OF CARRYING OVER, TO THE FOLLOWING  
24 YEAR OR YEARS, THE UNUSED PORTION OF CREDITS ATTRIBUTABLE TO SPECIAL  
25 ADDITIONAL MORTGAGE RECORDING TAX WITH RESPECT TO SUCH MORTGAGES, WHICH  
26 IS DUE AND PAID IN ANY OF SUCH TAXABLE YEARS, THE TAXPAYER MAY ELECT TO  
27 TREAT SUCH UNUSED PORTION AS AN OVERPAYMENT OF TAX TO BE CREDITED OR  
28 REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND  
29 EIGHTY-SIX OF THIS CHAPTER EXCEPT THAT NO INTEREST SHALL BE PAID ON SUCH  
30 OVERPAYMENT.

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

33 SUBPART C

34 Section 1. Paragraph (a) of subdivision 6 of section 208 of the tax  
35 law, as amended by section 5 of part T of chapter 59 of the laws of  
36 2015, is amended to read as follows:

37 (a) (i) The term "investment income" means income, including capital  
38 gains in excess of capital losses, from investment capital, to the  
39 extent included in computing entire net income, less, in the discretion  
40 of the commissioner, any interest deductions allowable in computing  
41 entire net income which are directly or indirectly attributable to  
42 investment capital or investment income, provided, however, that in no  
43 case shall investment income exceed entire net income. (ii) If the  
44 amount of interest deductions subtracted under subparagraph (i) of this  
45 paragraph exceeds investment income, the excess of such amount over  
46 investment income must be added back to entire net income. (iii) If  
47 FIFTY PERCENT OR MORE OF THE RECEIPTS, DIVIDENDS, INTEREST INCOME, NET  
48 INTEREST INCOME, NET INTEREST, NET INCOME AND NET GAIN IN THE DENOMINA-  
49 TOR OF A TAXPAYER'S APPORTIONMENT FRACTION ARE FROM TRANSACTIONS AND  
50 SOURCES DESCRIBED IN SUBDIVISION FIVE OF SECTION TWO HUNDRED TEN-A OF  
51 THIS ARTICLE AND the taxpayer's investment income determined without  
52 regard to the interest deductions subtracted under subparagraph (i) of

1 this paragraph comprises more than eight percent of the taxpayer's  
2 entire net income, investment income determined without regard to such  
3 interest deductions cannot exceed eight percent of the taxpayer's entire  
4 net income.

5 S 2. This act shall take effect immediately.

#### 6 SUBPART D

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

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

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

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

25 S 2. This act shall take effect immediately.

#### 26 SUBPART E

27 Section 1. Paragraph (f) of subdivision 1 of section 209-B of the tax  
28 law, as added by section 7 of part A of chapter 59 of the laws of 2014,  
29 is amended to read as follows:

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

45 S 2. This act shall take effect immediately.

#### 46 SUBPART F

47 Section 1. Subparagraph 2 of paragraph (b) of subdivision 43 of  
48 section 210-B of the tax law, as added by section 17 of part A of chap-  
49 ter 59 of the laws of 2014, is amended to read as follows:

1 (2) In addition, the term real property tax includes taxes paid by the  
2 taxpayer upon real property principally used during the taxable year by  
3 the taxpayer in manufacturing where the taxpayer leases such real prop-  
4 erty from an unrelated third party if the following conditions are  
5 satisfied: (i) the tax must be paid by the taxpayer as lessee pursuant  
6 to explicit requirements in a written lease, and (ii) the taxpayer as  
7 lessee has paid such taxes directly to the taxing authority and has  
8 received a written receipt for payment of taxes from the taxing authori-  
9 ty. In the case of a combined group that constitutes a qualified New  
10 York manufacturer, the conditions in the preceding sentence are satis-  
11 fied if one corporation in the combined group is the lessee and another  
12 corporation in the combined group makes the payments to the taxing  
13 authority. IN THE CASE OF A TAXPAYER THAT, DURING THE TAXABLE YEAR, IS  
14 PRINCIPALLY ENGAGED IN THE PRODUCTION OF GOODS BY FARMING, AGRICULTURE,  
15 HORTICULTURE, FLORICULTURE, VITICULTURE, OR COMMERCIAL FISHING, THE  
16 TAXPAYER IS ELIGIBLE IF THE TAXPAYER SATISFIES THE CONDITIONS STIPULATED  
17 IN THIS SUBDIVISION AND THE TAXPAYER LEASES SUCH REAL PROPERTY FROM A  
18 RELATED OR UNRELATED PARTY.

19 S 2. This act shall take effect immediately.

20

#### SUBPART G

21 Section 1. Item (III) of subclause (ii) of clause (B) of subparagraph  
22 1 of paragraph (r) of subdivision 9 of section 208 of the tax law, as  
23 amended by section 6 of part T of chapter 59 of the laws of 2015, is  
24 amended to read as follows:

25 (III) Tangible real and personal property, such as buildings, land,  
26 machinery, and equipment shall be valued at cost. Leased assets NOTWITH-  
27 STANDING WHETHER THE UNDERLYING LEASE IS INCLUDED ON THE BALANCE SHEET  
28 AS PROVIDED IN ITEM (II) will be valued at the annual lease payment  
29 multiplied by eight. Intangible property, such as loans and investments,  
30 shall be valued at book value exclusive of reserves.

31 S 2. This act shall take effect immediately.

32 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
33 sion, section or subpart of this act shall be adjudged by any court of  
34 competent jurisdiction to be invalid, such judgment shall not affect,  
35 impair, or invalidate the remainder thereof, but shall be confined in  
36 its operation to the clause, sentence, paragraph, subdivision, section  
37 or subpart thereof directly involved in the controversy in which such  
38 judgment shall have been rendered. It is hereby declared to be the  
39 intent of the legislature that this act would have been enacted even if  
40 such invalid provisions had not been included herein.

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

44

#### PART Q

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

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

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

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

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



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

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

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

34 S 4. Subdivision 1 of section 192 of the tax law, as amended by chap-  
35 ter 96 of the laws of 1976, is amended to read as follows:

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

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

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

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

9 S 6. Subdivision 2 of section 192 of the tax law, as amended by chap-  
10 ter 96 of the laws of 1976, is amended to read as follows:

11 2. Transportation and transmission corporations. Every transportation  
12 or transmission corporation, joint-stock company or association liable  
13 to pay an additional franchise tax under section one hundred eighty-four  
14 of this chapter, shall also, on or before March fifteenth of each year,  
15 make a written report to the [tax commission] COMMISSIONER of the amount  
16 of its gross earnings subject to the tax imposed by said section for the  
17 year ended on the preceding December thirty-first, FOR TAXABLE YEARS  
18 BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the  
19 year ended on December thirty-first, nineteen hundred seventy-six shall  
20 be deemed, for the purposes of this subdivision, to have commenced on  
21 July first, nineteen hundred seventy-six, AND SHALL ALSO, ON OR BEFORE  
22 APRIL FIFTEENTH OF EACH YEAR, MAKE A WRITTEN REPORT TO THE COMMISSIONER  
23 OF THE AMOUNT OF ITS GROSS EARNINGS SUBJECT TO THE TAX IMPOSED BY SAID  
24 SECTION FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR  
25 TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.  
26 Any such corporation, joint-stock company or association which ceases to  
27 be subject to the tax imposed by section one hundred eighty-four of this  
28 chapter by reason of a liquidation, dissolution, merger or consolidation  
29 with any other corporation, or any other cause, shall, on the date of  
30 such cessation or at such other time as the [tax commission] COMMISSION-  
31 ER may require, make a written report to the [tax commission] COMMIS-  
32 SIONER of the amount of its gross earnings subject to the tax imposed by  
33 section one hundred eighty-four of this chapter for any period for which  
34 no report was theretofore filed. Any corporation, joint-stock company or  
35 association subject to a tax upon dividends under said section one  
36 hundred eighty-four of this chapter shall also include in its report  
37 under this subdivision required to be filed a statement of the author-  
38 ized capital of the company, the amount of capital stock issued, and the  
39 amount of dividends of every nature paid during the year ended on the  
40 preceding December thirty-first. As to tax payers subject to such tax  
41 upon dividends under said section one hundred eighty-four of this chap-  
42 ter, the year ended on December thirty-first, nineteen hundred seventy-  
43 six shall be deemed, for the purposes of this subdivision, to have  
44 commenced on July first, nineteen hundred seventy-six.

45 S 7. Intentionally omitted.

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

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

1 may be applicable as hereinafter provided, for such fiscal or calendar  
2 year or part thereof, on a report which shall be filed, except as here-  
3 inafter provided, on or before the fifteenth day of March next succeed-  
4 ing the close of each such year, FOR TAXABLE YEARS BEGINNING BEFORE  
5 JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY  
6 OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH YEAR, FOR TAXABLE YEARS  
7 BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, or, in the  
8 case of a corporation which reports on the basis of a fiscal year, with-  
9 in two and one-half months after the close of such fiscal year, FOR  
10 TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND  
11 ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF  
12 SUCH FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST,  
13 TWO THOUSAND SIXTEEN, and shall be paid as hereinafter provided.

14 S 9. Subdivision 1 of section 211 of the tax law, as amended by chap-  
15 ter 436 of the laws of 1974, the opening paragraph as amended by chapter  
16 190 of the laws of 1990 and the second undesignated paragraph as amended  
17 by chapter 542 of the laws of 1985, is amended to read as follows:

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

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

54 S 10. Intentionally omitted.

55 S 11. Intentionally omitted.

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

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

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

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

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

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

56 S 15. Intentionally omitted.

1 S 16. Intentionally omitted.

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

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

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

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

37 (1) by or for every unincorporated business, for taxable years begin-  
38 ning after nineteen hundred eighty-six but before nineteen hundred nine-  
39 ty-seven, having unincorporated business gross income, determined for  
40 purposes of this subdivision without any deduction for the cost of goods  
41 sold or services performed, of more than ten thousand dollars, or having  
42 any amount of unincorporated business taxable income;

43 (2) by or for every partnership, for taxable years beginning after  
44 nineteen hundred ninety-six but before two thousand nine, having unin-  
45 corporated business gross income, determined for purposes of this subdivi-  
46 sion without any deduction for the cost of goods sold or services  
47 performed, of more than twenty-five thousand dollars, or having unincor-  
48 porated business taxable income of more than fifteen thousand dollars;

49 (3) by or for every unincorporated business other than a partnership,  
50 for taxable years beginning after nineteen hundred ninety-six but before  
51 two thousand nine, having unincorporated business gross income, deter-  
52 mined for purposes of this subdivision without any deduction for the  
53 cost of goods sold or services performed, of more than seventy-five  
54 thousand dollars, or having unincorporated business taxable income of  
55 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

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

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

30 S 22. Intentionally omitted.

31 S 23. Intentionally omitted.

32 S 24. This act shall take effect immediately provided, however, that  
33 section five of this act shall take effect on the same date and in the  
34 same manner as section 26 of part S of chapter 59 of the laws of 2014,  
35 takes effect, and that section five of this act shall apply to taxable  
36 years beginning on or after January 1, 2018 and that section thirteen of  
37 this act shall apply to taxable years beginning on or after January 1,  
38 2016.

39

## PART R

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

43 (iv) (A) for taxable years beginning before January first, two thou-  
44 sand sixteen, if the business income base is not more than two hundred  
45 ninety thousand dollars the amount shall be six and one-half percent of  
46 the business income base; if the business income base is more than two  
47 hundred ninety thousand dollars but not over three hundred ninety thou-  
48 sand dollars the amount shall be the sum of (1) eighteen thousand eight  
49 hundred fifty dollars, (2) seven and one-tenth percent of the excess of  
50 the business income base over two hundred ninety thousand dollars but  
51 not over three hundred ninety thousand dollars and (3) four and thirty-  
52 five hundredths percent of the excess of the business income base over  
53 three hundred fifty thousand dollars but not over three hundred ninety  
54 thousand dollars;

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

12 (C) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOU-  
13 SAND EIGHTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN FOUR HUNDRED  
14 THOUSAND DOLLARS THE AMOUNT SHALL BE TWO AND ONE-HALF PERCENT OF THE  
15 BUSINESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN FOUR  
16 HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS THE  
17 AMOUNT SHALL BE THE SUM OF (1) TEN THOUSAND DOLLARS, (2) SIX AND  
18 ONE-HALF PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER FOUR  
19 HUNDRED THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND DOLLARS AND  
20 (3) THIRTY-TWO PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER  
21 FOUR HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER FIVE HUNDRED THOUSAND  
22 DOLLARS.

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

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

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

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



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

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

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

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

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

46 (C) (I) For the purposes of this paragraph, the term small business  
47 shall mean: (I) a sole proprietor [or a farm business who employs one or  
48 more persons during the taxable year and] who has net business income  
49 [or net farm income] of less than [two hundred fifty] FIVE HUNDRED thou-  
50 sand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW  
51 YORK S CORPORATION THAT DURING THE TAXABLE YEAR HAS NEW YORK GROSS BUSI-  
52 NESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN  
53 ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM  
54 INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT  
55 LESS THAN FIVE HUNDRED THOUSAND DOLLARS. (II) FOR PURPOSES OF THIS PARA-  
56 GRAPH, 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

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

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

10 5. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE  
11 OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZA-  
12 TION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT  
13 RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (F) OF  
14 THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION  
15 CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION  
16 DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE  
17 DEPARTMENT FOR EACH TAXPAYER THAT FAILED TO MAKE THE AUTHORIZED CONTRIB-  
18 UTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION,  
19 LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE  
20 FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

21 6. FAILURE TO NOTIFY THE DEPARTMENT. WITHIN THIRTY DAYS OF THE DISCOV-  
22 ERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT  
23 PROGRAM, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION  
24 TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS  
25 FOUR AND FIVE OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE  
26 OF COMPLIANCE FAILURE TO SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION.  
27 SUCH ENTITY, PROGRAM, FUND, OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM  
28 THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARA-  
29 GRAPHS FOUR AND FIVE OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED  
30 FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, PROGRAM,  
31 FUND, OR ORGANIZATION. UPON THE EXPIRATION OF PERIOD FOR COMPLIANCE SET  
32 FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL  
33 NOTIFY THE BOARD OF REGENTS AND THE COMMISSIONER OF EDUCATION THAT SUCH  
34 ENTITY, PROGRAM, FUND, OR ORGANIZATION FAILED TO MAKE THE NOTIFICATIONS  
35 PRESCRIBED BY PARAGRAPHS FOUR AND FIVE OF THIS SUBDIVISION.

36 (H) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION  
37 AVAILABLE TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS FOR CALENDAR YEAR  
38 TWO THOUSAND SEVENTEEN SHALL BE ONE HUNDRED FIFTY MILLION DOLLARS. IN  
39 CALENDAR YEAR TWO THOUSAND EIGHTEEN, THE MAXIMUM PERMITTED CREDITS UNDER  
40 THIS SECTION AVAILABLE TO ALL TAXPAYERS SHALL BE TWO HUNDRED TWENTY-FIVE  
41 MILLION DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE  
42 CAP PURSUANT TO SUBDIVISION (I) OF THIS SECTION. FOR CALENDAR YEAR TWO  
43 THOUSAND NINETEEN AND EACH CALENDAR YEAR THEREAFTER, THE MAXIMUM PERMIT-  
44 TED CREDITS AVAILABLE TO ALL TAXPAYERS SHALL BE THREE HUNDRED MILLION  
45 DOLLARS PLUS ANY AMOUNTS THAT ARE REQUIRED TO BE ADDED TO THE CAP PURSU-  
46 ANT TO SUBDIVISION (I) OF THIS SECTION. THE MAXIMUM PERMITTED CREDITS  
47 UNDER THIS SECTION FOR QUALIFIED CONTRIBUTIONS SHALL BE ALLOCATED FIFTY  
48 PERCENT TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS,  
49 AND LOCAL EDUCATION FUNDS AND FIFTY PERCENT TO EDUCATIONAL SCHOLARSHIP  
50 ORGANIZATIONS.

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

1 (J) REGULATIONS. THE COMMISSIONER IS HEREBY AUTHORIZED TO PROMULGATE  
2 AND ADOPT ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMEN-  
3 TATION OF THIS SECTION.

4 (K) WRITTEN REPORT. ON OR BEFORE THE LAST DAY OF JUNE FOR EACH CALEN-  
5 DAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE  
6 COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE  
7 GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE  
8 ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN  
9 OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE EDUCATION INVEST-  
10 MENT TAX CREDIT. SUCH REPORT SHALL CONTAIN INFORMATION FOR ARTICLES  
11 NINE-A AND TWENTY-TWO, RESPECTIVELY, REGARDING: (I) THE NUMBER OF APPLI-  
12 CATIONS RECEIVED; (II) THE NUMBER OF AND AGGREGATE VALUE OF THE CONTRIB-  
13 UTION AUTHORIZATION CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC  
14 EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION  
15 FUNDS, AND SCHOLARSHIP ORGANIZATIONS, RESPECTIVELY; (III) THE GEOGRAPH-  
16 ICAL DISTRIBUTION BY COUNTY OF (A) THE APPLICATIONS FOR CONTRIBUTION  
17 AUTHORIZATION CERTIFICATES, DISTRIBUTION BY COUNTY OF (B) THE PUBLIC  
18 EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION  
19 FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS LISTED ON THE ISSUED  
20 CONTRIBUTION AUTHORIZATION CERTIFICATES; AND (IV) INFORMATION, INCLUDING  
21 GEOGRAPHICAL DISTRIBUTION BY COUNTY, OF THE NUMBER OF ELIGIBLE PUPILS  
22 THAT RECEIVED SCHOLARSHIPS, THE NUMBER OF QUALIFIED SCHOOLS ATTENDED BY  
23 ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE  
24 OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND  
25 DESIGNATED EMPLOYEES OF THE DEPARTMENT, THE BOARD OF REGENTS, THE  
26 COMMISSIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE STATE EDUCA-  
27 TION DEPARTMENT, SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE  
28 INFORMATION REGARDING THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCA-  
29 TION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR  
30 APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS; AND THE  
31 PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL  
32 EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AUTHORIZED TO  
33 ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR  
34 DERIVED FROM APPLICATION FORMS AND REPORTS SUBMITTED TO THE EDUCATION  
35 DEPARTMENT OR BOARD OF REGENTS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21 S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE  
22 BOARD OF REGENTS, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND  
23 FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION,  
24 EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC  
25 SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A  
26 FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS  
27 VIOLATED THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW. THESE  
28 VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING:  
29 (A) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE OR SECTION  
30 FORTY-TWO OF THE TAX LAW, (B) THE FAILURE TO MAINTAIN FULL AND ADEQUATE  
31 RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS, (C) THE  
32 FAILURE TO SUPPLY SUCH RECORDS TO THE COMMISSIONER, DEPARTMENT OF TAXA-  
33 TION AND FINANCE OR BOARD OF REGENTS WHEN REQUESTED BY THE DEPARTMENT OR  
34 BOARD, OR (D) THE FAILURE TO PROVIDE NOTICE TO THE DEPARTMENT OF TAXA-  
35 TION AND FINANCE OF THE ISSUANCE OR NONISSUANCE OF CERTIFICATES OF  
36 RECEIPT PURSUANT TO SECTION FORTY-TWO OF THE TAX LAW; PROVIDED HOWEVER,  
37 THAT THE BOARD OF REGENTS SHALL NOT REVOKE APPROVAL PURSUANT TO THIS  
38 SECTION BASED UPON A VIOLATION OF THE TAX LAW UNLESS THE COMMISSIONER OF  
39 TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED  
40 FURTHER THAT THE BOARD SHALL NOT REVOKE APPROVAL PURSUANT TO THIS  
41 SECTION WHEN THE FAILURE TO COMPLY IS DUE TO CLERICAL ERROR AND NOT  
42 NEGLIGENCE OR INTENTIONAL DISREGARD FOR THE LAW. WITHIN FIVE DAYS OF THE  
43 DETERMINATION REVOKING APPROVAL, THE BOARD SHALL PROVIDE NOTICE OF SUCH  
44 REVOCATION TO THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVE-  
45 MENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL  
46 DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE.

47 S 1215. RECORDKEEPING. EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCA-  
48 TIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND  
49 PUBLIC SCHOOL DISTRICT THAT ISSUED AT LEAST ONE CERTIFICATE OF RECEIPT  
50 SHALL MAINTAIN RECORDS INCLUDING (A) NOTIFICATIONS RECEIVED FROM THE  
51 DEPARTMENT OF TAXATION AND FINANCE, (B) NOTIFICATIONS MADE TO THE  
52 DEPARTMENT OF TAXATION AND FINANCE, (C) COPIES OF QUALIFIED CONTRIB-  
53 UTIONS RECEIVED, (D) COPIES OF THE DEPOSIT OF SUCH QUALIFIED CONTRIB-  
54 UTIONS, (E) COPIES OF ISSUED CERTIFICATES OF RECEIPT, (F) ANNUAL FINAN-  
55 CIAL STATEMENTS, (G) IN THE CASE OF SCHOOL IMPROVEMENT ORGANIZATIONS,  
56 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	Amount of credit
production credit under	under subdivision thirty-nine of
subsection (uu)	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:

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

15 S 2. Section 1115 of the tax law is amended by adding a new subdivi-  
16 sion (kk) to read as follows:

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

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

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

43 (ii) In regard to the collection of tax on occupancies by remarketers,  
44 when occupancy is provided, for a single consideration, with property,  
45 services, amusement charges, or any other items, whether or not such  
46 other items are taxable, the rent portion of the consideration for such  
47 sale shall be computed as follows: the total consideration for the sale  
48 multiplied by a fraction, the numerator of which shall be the consider-  
49 ation paid to the hotel for the occupancy and the denominator of which  
50 shall be the consideration paid to the hotel for the occupancy plus the  
51 consideration paid to the providers of the other items being sold, or by  
52 any other reasonable method pursuant to which the rent portion of  
53 consideration would be no less than the computation of rent portion of  
54 consideration under subparagraph (i) of this paragraph. Nothing herein  
55 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.

1 Prior to making deposits as provided in this section, the comptroller  
2 shall retain such amount as the commissioner may determine to be neces-  
3 sary, subject to the approval of the director of the budget, for reason-  
4 able costs of the department in administering and collecting the taxes  
5 deposited pursuant to this section and for refunds and reimbursements  
6 with respect to such taxes, out of which the comptroller shall pay any  
7 refunds or reimbursements of such taxes to which taxpayers shall be  
8 entitled.

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

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

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

37 S 5. Subparagraph (i) of paragraph 1 of subdivision (a) of section  
38 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of  
39 the laws of 2015, is amended to read as follows:

40 (i) Any local law, ordinance or resolution enacted by any city of less  
41 than one million or by any county or school district, imposing the taxes  
42 authorized by this subdivision, shall, notwithstanding any provision of  
43 law to the contrary, exclude from the operation of such local taxes all  
44 sales of tangible personal property for use or consumption directly and  
45 predominantly in the production of tangible personal property, gas,  
46 electricity, refrigeration or steam, for sale, by manufacturing, proc-  
47 essing, generating, assembly, refining, mining or extracting; and all  
48 sales of tangible personal property for use or consumption predominantly  
49 either in the production of tangible personal property, for sale, by  
50 farming or in a commercial horse boarding operation, or in both; AND ALL  
51 SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION  
52 AIRCRAFT; and, unless such city, county or school district elects other-  
53 wise, shall omit the provision for credit or refund contained in clause  
54 six of subdivision (a) or subdivision (d) of section eleven hundred  
55 nineteen of this chapter.

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

5 (xii) shall omit, unless such city elects otherwise, the exemption for  
6 residential solar energy systems equipment and electricity provided in  
7 subdivision (ee) of section eleven hundred fifteen of this chapter;  
8 [and] (xiii) shall omit, unless such city elects otherwise, the  
9 exemption for commercial solar energy systems equipment and electricity  
10 provided in subdivision (ii) of section eleven hundred fifteen of this  
11 chapter; AND (XIV) SHALL EXCLUDE FROM THE OPERATION OF SUCH LOCAL TAXES  
12 ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL  
13 AVIATION AIRCRAFT. Any reference in this chapter or in any local law,  
14 ordinance or resolution enacted pursuant to the authority of this arti-  
15 cle to former subdivisions (n) or (p) of this section shall be deemed to  
16 be a reference to clauses (xii) or (xiii) of this paragraph, respective-  
17 ly, and any such local law, ordinance or resolution that provides the  
18 exemptions provided in such former subdivisions (n) and/or (p) shall be  
19 deemed instead to provide the exemptions provided in clauses (xii)  
20 and/or (xiii) of this paragraph.

21 S 7. Notwithstanding any law to the contrary, the comptroller is here-  
22 by authorized and directed to transfer from the general fund for deposit  
23 into the mass transportation operating assistance fund, pursuant to  
24 section 88-a of the state finance law and the dedicated mass transporta-  
25 tion trust fund, pursuant to section 89-c of the state finance law, upon  
26 request of the director of the budget, on or before March 31 of each  
27 year, an amount equal to the amount of revenue received by the commis-  
28 sioner of taxation and finance during the state fiscal year from petro-  
29 leum business taxes imposed pursuant to the authority of section 301-e  
30 of the tax law that would have otherwise been directed to such funds  
31 pursuant to section 312 of the tax law as such section was in effect on  
32 the day before this act became a law.

33 S 8. Sections one, two and seven of this act shall take effect April  
34 1, 2017; provided however that sections three, four, five and six of  
35 this act shall take effect December 1, 2017; and provided further that  
36 if section 19 of part W1 of chapter 109 of the laws of 2006 shall have  
37 not expired on or before such date then section four of this act shall  
38 take effect on the same date and in the same manner as such chapter of  
39 the laws of 2006 takes effect.

40 PART AA

41 Intentionally Omitted

42 PART BB

43 Intentionally Omitted

44 PART CC

45 Section 1. Section 308 of the racing, pari-mutuel wagering and breed-  
46 ing law, as amended by section 1 of part Y of chapter 58 of the laws of  
47 2012, is amended to read as follows:

48 S 308. Officials at harness horse race meetings. 1. At all harness  
49 race meetings licensed by the [state racing and wagering board] GAMING  
50 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;

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

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

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

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

1 sixteen and one thousand seventeen of this article; provided further  
2 that the contract provisions or other simulcast arrangements for such  
3 simulcast facility shall be no less favorable than those in effect on  
4 January first, two thousand five; (ii) that each off-track betting  
5 corporation having within its geographic boundaries such residences,  
6 homes or other areas technically capable of receiving the simulcast  
7 signal shall be a contracting party; (iii) the distribution of revenues  
8 shall be subject to contractual agreement of the parties except that  
9 statutory payments to non-contracting parties, if any, may not be  
10 reduced; provided, however, that nothing herein to the contrary shall  
11 prevent a track from televising its races on an irregular basis primari-  
12 ly for promotional or marketing purposes as found by the commission. For  
13 purposes of this paragraph, the provisions of section one thousand thir-  
14 teen of this article shall not apply. Any agreement authorizing an  
15 in-home simulcasting experiment commencing prior to May fifteenth, nine-  
16 teen hundred ninety-five, may, and all its terms, be extended until June  
17 thirtieth, two thousand [sixteen] SEVENTEEN; provided, however, that any  
18 party to such agreement may elect to terminate such agreement upon  
19 conveying written notice to all other parties of such agreement at least  
20 forty-five days prior to the effective date of the termination, via  
21 registered mail. Any party to an agreement receiving such notice of an  
22 intent to terminate, may request the commission to mediate between the  
23 parties new terms and conditions in a replacement agreement between the  
24 parties as will permit continuation of an in-home experiment until June  
25 thirtieth, two thousand [sixteen] SEVENTEEN; and (iv) no in-home simul-  
26 casting in the thoroughbred special betting district shall occur without  
27 the approval of the regional thoroughbred track.

28 S 2. Subparagraph (iii) of paragraph d of subdivision 3 of section  
29 1007 of the racing, pari-mutuel wagering and breeding law, as amended by  
30 section 2 of part NN of chapter 59 of the laws of 2015, is amended to  
31 read as follows:

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

44 S 3. The opening paragraph of subdivision 1 of section 1014 of the  
45 racing, pari-mutuel wagering and breeding law, as amended by section 3  
46 of part NN of chapter 59 of the laws of 2015, is amended to read as  
47 follows:

48 The provisions of this section shall govern the simulcasting of races  
49 conducted at thoroughbred tracks located in another state or country on  
50 any day during which a franchised corporation is conducting a race meet-  
51 ing in Saratoga county at Saratoga thoroughbred racetrack until June  
52 thirtieth, two thousand [sixteen] SEVENTEEN and on any day regardless of  
53 whether or not a franchised corporation is conducting a race meeting in  
54 Saratoga county at Saratoga thoroughbred racetrack after June thirtieth,  
55 two thousand [sixteen] SEVENTEEN. On any day on which a franchised  
56 corporation has not scheduled a racing program but a thoroughbred racing

1 corporation located within the state is conducting racing, every off-  
2 track betting corporation branch office and every simulcasting facility  
3 licensed in accordance with section one thousand seven (that have  
4 entered into a written agreement with such facility's representative  
5 horsemen's organization, as approved by the commission), one thousand  
6 eight, or one thousand nine of this article shall be authorized to  
7 accept wagers and display the live simulcast signal from thoroughbred  
8 tracks located in another state or foreign country subject to the  
9 following provisions:

10 S 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering  
11 and breeding law, as amended by section 4 of part NN of chapter 59 of  
12 the laws of 2015, is amended to read as follows:

13 1. The provisions of this section shall govern the simulcasting of  
14 races conducted at harness tracks located in another state or country  
15 during the period July first, nineteen hundred ninety-four through June  
16 thirtieth, two thousand [sixteen] SEVENTEEN. This section shall super-  
17 sede all inconsistent provisions of this chapter.

18 S 5. The opening paragraph of subdivision 1 of section 1016 of the  
19 racing, pari-mutuel wagering and breeding law, as amended by section 5  
20 of part NN of chapter 59 of the laws of 2015, is amended to read as  
21 follows:

22 The provisions of this section shall govern the simulcasting of races  
23 conducted at thoroughbred tracks located in another state or country on  
24 any day during which a franchised corporation is not conducting a race  
25 meeting in Saratoga county at Saratoga thoroughbred racetrack until June  
26 thirtieth, two thousand [sixteen] SEVENTEEN. Every off-track betting  
27 corporation branch office and every simulcasting facility licensed in  
28 accordance with section one thousand seven that have entered into a  
29 written agreement with such facility's representative horsemen's organ-  
30 ization as approved by the commission, one thousand eight or one thou-  
31 sand nine of this article shall be authorized to accept wagers and  
32 display the live full-card simulcast signal of thoroughbred tracks  
33 (which may include quarter horse or mixed meetings provided that all  
34 such wagering on such races shall be construed to be thoroughbred races)  
35 located in another state or foreign country, subject to the following  
36 provisions; provided, however, no such written agreement shall be  
37 required of a franchised corporation licensed in accordance with section  
38 one thousand seven of this article:

39 S 6. The opening paragraph of section 1018 of the racing, pari-mutuel  
40 wagering and breeding law, as amended by section 6 of part NN of chapter  
41 59 of the laws of 2015, is amended to read as follows:

42 Notwithstanding any other provision of this chapter, for the period  
43 July twenty-fifth, two thousand one through September eighth, two thou-  
44 sand [fifteen] SIXTEEN, when a franchised corporation is conducting a  
45 race meeting within the state at Saratoga Race Course, every off-track  
46 betting corporation branch office and every simulcasting facility  
47 licensed in accordance with section one thousand seven (that has entered  
48 into a written agreement with such facility's representative horsemen's  
49 organization as approved by the commission), one thousand eight or one  
50 thousand nine of this article shall be authorized to accept wagers and  
51 display the live simulcast signal from thoroughbred tracks located in  
52 another state, provided that such facility shall accept wagers on races  
53 run at all in-state thoroughbred tracks which are conducting racing  
54 programs subject to the following provisions; provided, however, no such  
55 written agreement shall be required of a franchised corporation licensed  
56 in accordance with section one thousand seven of this article.



1 S 7. Section 32 of chapter 281 of the laws of 1994, amending the  
2 racing, pari-mutuel wagering and breeding law and other laws relating  
3 to simulcasting, as amended by section 7 of part NN of chapter 59 of the  
4 laws of 2015, is amended to read as follows:

5 S 32. This act shall take effect immediately and the pari-mutuel tax  
6 reductions in section six of this act shall expire and be deemed  
7 repealed on July 1, [2016] 2017; provided, however, that nothing  
8 contained herein shall be deemed to affect the application, qualifica-  
9 tion, expiration, or repeal of any provision of law amended by any  
10 section of this act, and such provisions shall be applied or qualified  
11 or shall expire or be deemed repealed in the same manner, to the same  
12 extent and on the same date as the case may be as otherwise provided by  
13 law; provided further, however, that sections twenty-three and twenty-  
14 five of this act shall remain in full force and effect only until May 1,  
15 1997 and at such time shall be deemed to be repealed.

16 S 8. Section 54 of chapter 346 of the laws of 1990, amending the  
17 racing, pari-mutuel wagering and breeding law and other laws relating to  
18 simulcasting and the imposition of certain taxes, as amended by section  
19 8 of part NN of chapter 59 of the laws of 2015, is amended to read as  
20 follows:

21 S 54. This act shall take effect immediately; provided, however,  
22 sections three through twelve of this act shall take effect on January  
23 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breed-  
24 ing law, as added by section thirty-eight of this act, shall expire and  
25 be deemed repealed on July 1, [2016] 2017; and section eighteen of this  
26 act shall take effect on July 1, 2008 and sections fifty-one and fifty-  
27 two of this act shall take effect as of the same date as chapter 772 of  
28 the laws of 1989 took effect.

29 S 9. Paragraph (a) of subdivision 1 of section 238 of the racing,  
30 pari-mutuel wagering and breeding law, as amended by section 9 of part  
31 NN of chapter 59 of the laws of 2015, is amended to read as follows:

32 (a) The franchised corporation authorized under this chapter to  
33 conduct pari-mutuel betting at a race meeting or races run thereat shall  
34 distribute all sums deposited in any pari-mutuel pool to the holders of  
35 winning tickets therein, provided such tickets be presented for payment  
36 before April first of the year following the year of their purchase,  
37 less an amount which shall be established and retained by such fran-  
38 chised corporation of between twelve to seventeen per centum of the  
39 total deposits in pools resulting from on-track regular bets, and four-  
40 teen to twenty-one per centum of the total deposits in pools resulting  
41 from on-track multiple bets and fifteen to twenty-five per centum of the  
42 total deposits in pools resulting from on-track exotic bets and fifteen  
43 to thirty-six per centum of the total deposits in pools resulting from  
44 on-track super exotic bets, plus the breaks. The retention rate to be  
45 established is subject to the prior approval of the gaming commission.  
46 Such rate may not be changed more than once per calendar quarter to be  
47 effective on the first day of the calendar quarter. "Exotic bets" and  
48 "multiple bets" shall have the meanings set forth in section five  
49 hundred nineteen of this chapter. "Super exotic bets" shall have the  
50 meaning set forth in section three hundred one of this chapter. For  
51 purposes of this section, a "pick six bet" shall mean a single bet or  
52 wager on the outcomes of six races. The breaks are hereby defined as the  
53 odd cents over any multiple of five for payoffs greater than one dollar  
54 five cents but less than five dollars, over any multiple of ten for  
55 payoffs greater than five dollars but less than twenty-five dollars,  
56 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

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

## PART HH

37 Section 1. Paragraph b of subdivision 3 of section 97-nnnn of the  
38 state finance law, as added by chapter 174 of the laws of 2013, is  
39 amended to read as follows:  
40 b. ten percent of the moneys in such fund, AS ATTRIBUTABLE TO A  
41 SPECIFIC LICENSED GAMING FACILITY, shall be appropriated or transferred  
42 from the commercial gaming revenue fund equally between the host munici-  
43 pality and host county OF SUCH FACILITY.  
44 S 2. Clause (G) of subparagraph (ii) of paragraph 1 of subdivision b  
45 of section 1612 of the tax law, as added by chapter 174 of the laws of  
46 2013, is amended to read as follows:  
47 (G) Notwithstanding any provision to the contrary, when a vendor track  
48 is located within regions one, two, or five of development zone two as  
49 defined by section thirteen hundred ten of the racing, pari-mutuel  
50 wagering and breeding law, such vendor track shall receive an additional  
51 commission at a rate equal to the percentage of revenue wagered at the  
52 vendor track after payout for prizes pursuant to this chapter, WHICH  
53 PERCENTAGE SHALL BE ONE HUNDRED, less [ten percent] THE SUM OF THE  
54 PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK retained by the

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

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

17

## PART II

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

20 1. Except in accordance with proper judicial order or as in this  
21 section or otherwise provided by law, it shall be unlawful for the  
22 commissioner, any officer or employee of the department, or any officer  
23 or person who, pursuant to this section, is permitted to inspect any  
24 return or report or to whom a copy, an abstract or a portion of any  
25 return or report is furnished, or to whom any information contained in  
26 any return or report is furnished, or any person engaged or retained by  
27 such department on an independent contract basis or any person who in  
28 any manner may acquire knowledge of the contents of a return or report  
29 filed pursuant to this article to divulge or make known in any manner  
30 the contents or any other information relating to the business of a  
31 distributor, owner or other person contained in any return or report  
32 required under this article. The officers charged with the custody of  
33 such returns or reports shall not be required to produce any of them or  
34 evidence of anything contained in them in any action or proceeding in  
35 any court, except on behalf of the state, the state department of  
36 health, or the commissioner in an action or proceeding under the  
37 provisions of this chapter or on behalf of the state or the commissioner  
38 in any other action or proceeding involving the collection of a tax due  
39 under this chapter to which the state or the commissioner is a party or  
40 a claimant or on behalf of any party to any action or proceeding under  
41 the provisions of this article, when the returns or the reports or the  
42 facts shown thereby are directly involved in such action or proceeding,  
43 or in an action or proceeding relating to the regulation or taxation of  
44 medical marihuana on behalf of officers to whom information shall have  
45 been supplied as provided in subdivision two of this section, in any of  
46 which events the court may require the production of, and may admit in  
47 evidence so much of said returns or reports or of the facts shown there-  
48 by as are pertinent to the action or proceeding and no more. Nothing  
49 herein shall be construed to prohibit the commissioner, in his or her  
50 discretion, from allowing the inspection or delivery of a certified copy  
51 of any return or report filed under this article or of any information  
52 contained in any such return or report by or to a duly authorized offi-  
53 cer or employee of the state department of health; or by or to the  
54 attorney general or other legal representatives of the state when an

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

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

34

## PART JJ

35 Section 1. Subdivision 15 of section 425 of the real property tax law,  
36 as added by section 1 of part E of chapter 59 of the laws of 2015, is  
37 amended to read as follows:

38 15. Recoupment of exemptions by commissioner. (a) Generally. If the  
39 commissioner should determine, based upon data collected under the STAR  
40 registration program, that property improperly received the basic STAR  
41 exemption [on] IN THE CURRENT SCHOOL YEAR OR one or more of the three  
42 preceding [assessment rolls] SCHOOL YEARS, the commissioner shall treat  
43 the exemption as an improperly granted exemption and proceed in the  
44 manner provided by this subdivision; provided that final assessment  
45 rolls that were filed prior to April first, two thousand eleven shall  
46 not be subject to the provisions of this subdivision.

47 (b) Procedure. The tax savings attributable to each such improperly  
48 granted exemption shall be collected from the owners whose property  
49 improperly received the exemption for the applicable year, together with  
50 interest as specified in this subdivision, by utilizing any of the  
51 procedures for collection, levy, and lien of personal income tax set  
52 forth in article twenty-two of the tax law, any other relevant proce-  
53 dures referenced within the provisions of that article, and any other

1 law as may be applicable, so far as practicable when recouping the  
2 exemption amount pursuant to this subdivision, except that:

3 (i) IN ORDER FOR THE RECOUPMENT PROCEDURE TO BE CONSIDERED TIMELY, THE  
4 NOTICE REQUIRED BY SUBPARAGRAPH (II) OF THIS PARAGRAPH MUST BE MAILED NO  
5 LATER THAN THREE YEARS AFTER THE CONCLUSION OF THE SCHOOL YEAR FOR WHICH  
6 THE EXEMPTION IN QUESTION WAS GRANTED, OR IN THE CASE OF AN EXEMPTION  
7 THAT WAS GRANTED FOR THE TWO THOUSAND TWELVE--TWO THOUSAND THIRTEEN  
8 SCHOOL YEAR, NO LATER THAN SEPTEMBER THIRTIETH, TWO THOUSAND SIXTEEN;

9 (II) prior to directing that an improperly granted exemption be  
10 recouped pursuant to this subdivision, the commissioner shall provide  
11 the owners with notice and an opportunity to show the commissioner that  
12 the exemption was properly granted. If the owners fail to respond to  
13 such notice within forty-five days from the mailing thereof, or if their  
14 response does not show to the commissioner's satisfaction that the  
15 eligibility requirements were in fact satisfied, the commissioner shall  
16 proceed with the recoupment of the improperly granted exemption in  
17 accordance with the provisions of this subdivision; and

18 [(ii)] (III) notwithstanding the provisions of paragraph (b) of subdi-  
19 vision six of this section, neither an assessor nor a board of assess-  
20 ment review has the authority to consider an objection to the recoupment  
21 of an exemption pursuant to this subdivision, nor may such an action be  
22 reviewed in a proceeding to review an assessment pursuant to title one  
23 or one-A of article seven of this chapter. Such an action may only be  
24 challenged before the department. If an owner is dissatisfied with the  
25 department's final determination, the owner may appeal that determi-  
26 nation to the board in a form and manner to be prescribed by the commis-  
27 sioner. Such appeal shall be filed within forty-five days from the issu-  
28 ance of the department's final determination. If dissatisfied with the  
29 board's determination, the owner may seek judicial review thereof pursu-  
30 ant to article seventy-eight of the civil practice law and rules. The  
31 owner shall otherwise have no right to challenge such final determi-  
32 nation in a court action, administrative proceeding, including but not  
33 limited to an administrative proceeding pursuant to article forty of the  
34 tax law, or any other form of legal recourse against the commissioner,  
35 the department, the board, the assessor, or any other person, state  
36 agency, or local government.

37 (c) The amount to be recouped for each improperly received exemption  
38 shall have interest added at the rate prescribed by section nine hundred  
39 twenty-four-a of this chapter or such other law as may be applicable for  
40 each month or portion thereof since the levy of school taxes upon such  
41 assessment roll.

42 (d) In the event that a revocation of prior exemption pursuant to  
43 subdivision twelve of this section or a voluntary renunciation of the  
44 STAR exemption pursuant to section four hundred ninety-six of this  
45 [chapter] ARTICLE has occurred, the provisions of this subdivision shall  
46 not be applicable to the exemptions so revoked or voluntarily renounced.

47 S 2. This act shall take effect immediately.

48 PART KK

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

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

1 SUCH CARRIER on the public highways in this state. Application shall be  
2 made upon a form prescribed by such commissioner and shall set forth the  
3 gross and unloaded weight of each motor vehicle, license plate informa-  
4 tion for each motor vehicle and such other information as the commis-  
5 sioner may require. Such weights shall be subject to audit and approval  
6 by the commissioner. [The application shall be accompanied by a fee of  
7 fifteen dollars for each motor vehicle listed in the application.] The  
8 commissioner shall issue [without further charge] a certificate of  
9 registration for each motor vehicle or a consolidated certificate of  
10 registration for all or any portion of such vehicles of such carrier  
11 which shall contain such information and be in such form as the commis-  
12 sioner shall prescribe. In the case of the loss, mutilation or  
13 destruction of a certificate of registration, the commissioner shall  
14 issue a duplicate thereof [upon payment of a fee of two dollars]. Any  
15 such certificate of registration shall not be transferable, except as  
16 hereinafter provided, and shall be valid until revoked, suspended or  
17 surrendered. Such certificate of registration shall be maintained in the  
18 carrier's regular place of business. In the event of an increase in the  
19 gross or unloaded weight of any motor vehicle subject to this article,  
20 application for a corrected certificate of registration shall be made  
21 upon a form prescribed by such commissioner setting forth the previous  
22 gross or unloaded weight, the new gross or unloaded weight and such  
23 other information as the commissioner may require. In the event of a  
24 decrease in the gross or unloaded weight of any motor vehicle subject to  
25 this article, application may be made for a corrected certificate of  
26 registration in a similar manner, provided that any such application on  
27 the basis of a decrease in the gross or unloaded weight of any motor  
28 vehicle may be made only during the month of January. In the event of a  
29 decrease in the gross or unloaded weight of any motor vehicle subject to  
30 this article, an application to cancel a certificate of registration on  
31 the basis of such decrease may be made during any month. The corrected  
32 gross or unloaded weight shall be subject to audit and approval by the  
33 commissioner. In the event of a change to the license plate information  
34 of any motor vehicle subject to this article, an application for a  
35 corrected certificate of registration shall be made upon a form  
36 prescribed by the commissioner setting forth the previous license plate  
37 information, the new license plate information and such other informa-  
38 tion as the commissioner may require. Upon surrendering the certificate  
39 of registration previously issued, the commissioner shall[, without  
40 further charge,] issue a corrected certificate of registration.

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

1 such special certificate of registration for each motor vehicle listed  
2 in the application or a consolidated certificate of registration for all  
3 or any portion of such vehicles of such carrier. All of the provisions  
4 of this article with respect to certificates of registration shall be  
5 applicable to the special certificates of registration issued to automo-  
6 tive fuel carriers under this paragraph as if those provisions had been  
7 set forth in full in this paragraph and expressly referred to the  
8 special certificates of registration required by this paragraph except  
9 to the extent that any such provision is either inconsistent with a  
10 provision of this paragraph or not relevant to the certificates of  
11 registration required by this paragraph. Any certificate of registration  
12 shall not be transferable, and shall be valid until revoked, suspended  
13 or surrendered. Such special certificate of registration shall be main-  
14 tained in the carrier's regular place of business. Nothing contained in  
15 this paragraph shall in any way exempt an automotive fuel carrier from  
16 payment of the taxes imposed pursuant to this article.

17 S 2. Paragraphs a and b of subdivision 6 of section 502 of the tax  
18 law, as added by section 1 of part K-1 of chapter 57 of the laws of  
19 2009, are amended to read as follows:

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

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

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



1 S 502-A. CERTIFICATE OF REGISTRATION AND DECAL FEES. THE APPLICATION  
2 FOR A CERTIFICATE OF REGISTRATION AND DECAL DESCRIBED IN PARAGRAPH A OF  
3 SUBDIVISION ONE AND PARAGRAPH A OF SUBDIVISION SIX OF SECTION FIVE  
4 HUNDRED TWO OF THIS ARTICLE, OR A SPECIAL CERTIFICATE OF REGISTRATION  
5 AND SPECIAL DECAL AS DESCRIBED IN PARAGRAPH B OF SUBDIVISION ONE AND  
6 PARAGRAPH B OF SUBDIVISION SIX OF SUCH SECTION, SHALL BE ACCOMPANIED BY  
7 A FEE OF ONE DOLLAR AND FIFTY CENTS. IN THE CASE OF THE LOSS, MUTILA-  
8 TION OR DESTRUCTION OF ANY SUCH DOCUMENTS, THE COMMISSIONER SHALL ISSUE  
9 A DUPLICATE SET THEREOF UPON PAYMENT OF A FEE OF ONE DOLLAR AND FIFTY  
10 CENTS. PROVIDED, HOWEVER, THERE SHALL BE NO ADDITIONAL CHARGE FOR THE  
11 ISSUANCE OF A CORRECTED CERTIFICATE OF REGISTRATION PURSUANT TO PARA-  
12 GRAPH A OF SUBDIVISION ONE OF SECTION FIVE HUNDRED TWO OF THIS ARTICLE.

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

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

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

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

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

53 NOTWITHSTANDING THE FOREGOING OR ANY OTHER LAW TO THE CONTRARY, THE  
54 COMPTROLLER SHALL DEPOSIT ALL MONIES COLLECTED ON ACCOUNT OF THE REGIS-  
55 TRATION FEES IMPOSED PURSUANT TO SECTION FIVE HUNDRED TWO-A AND SUBDIVI-  
56 SION 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

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

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

12 FOR TAX YEAR 2018 BY 0.4%  
13 FOR TAX YEAR 2019 BY 0.5875%  
14 FOR TAX YEAR 2020 BY 0.775%  
15 FOR TAX YEAR 2021 BY 0.9625%  
16 FOR TAX YEAR 2022 BY 1.15%  
17 FOR TAX YEAR 2023 BY 1.3375%  
18 FOR TAX YEAR 2024 BY 1.525%  
19 FOR TAX YEAR 2025 AND AFTER BY 1.7125%

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

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

31 FOR TAX YEAR 2018 BY 0.4%  
32 FOR TAX YEAR 2019 BY 0.5875%  
33 FOR TAX YEAR 2020 BY 0.775%  
34 FOR TAX YEAR 2021 BY 0.9625%  
35 FOR TAX YEAR 2022 BY 1.15%  
36 FOR TAX YEAR 2023 BY 1.3375%  
37 FOR TAX YEAR 2024 BY 1.525%  
38 FOR TAX YEAR 2025 AND AFTER BY 1.7125%

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

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

53 FOR TAX YEAR 2018 BY 0.4%  
54 FOR TAX YEAR 2019 BY 0.5875%  
55 FOR TAX YEAR 2020 BY 0.775%  
56 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.

34

## 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

1 EXPENSES MULTIPLIED BY FOUR PERCENT  
2 (C) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND NINETEEN:  
3 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
4 EXPENSES ARE:  
5 LESS THAN SEVEN THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
6 TUITION EXPENSES OR TWO HUNDRED  
7 EIGHTY DOLLARS  
8 SEVEN THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
9 EXPENSES MULTIPLIED BY FOUR PERCENT  
10 (D) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY:  
11 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
12 EXPENSES ARE:  
13 LESS THAN EIGHT THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
14 TUITION EXPENSES OR THREE HUNDRED  
15 TWENTY DOLLARS  
16 EIGHT THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
17 EXPENSES MULTIPLIED BY FOUR PERCENT  
18 (E) FOR TAXABLE YEARS BEGINNING IN TWO THOUSAND TWENTY-ONE:  
19 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
20 EXPENSES ARE:  
21 LESS THAN NINE THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
22 TUITION EXPENSES OR THREE HUNDRED  
23 SIXTY DOLLARS  
24 NINE THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
25 EXPENSES MULTIPLIED BY FOUR PERCENT  
26 (F) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND TWENTY-ONE:  
27 IF ALLOWABLE COLLEGE TUITION THE TAX CREDIT IS EQUAL TO:  
28 EXPENSES ARE:  
29 LESS THAN TEN THOUSAND DOLLARS THE LESSER OF ALLOWABLE COLLEGE  
30 TUITION EXPENSES OR FOUR HUNDRED  
31 DOLLARS  
32 TEN THOUSAND DOLLARS OR MORE THE ALLOWABLE COLLEGE TUITION  
33 EXPENSES MULTIPLIED BY FOUR PERCENT  
34 Such applicable percentage shall be twenty-five percent for taxable  
35 years beginning in two thousand one, fifty percent for taxable years  
36 beginning in two thousand two, seventy-five percent for taxable years  
37 beginning in two thousand three and one hundred percent for taxable  
38 years beginning after two thousand three.  
39 S 3. This act shall take effect immediately and shall apply to taxable  
40 years beginning on or after January 1, 2018.

41 PART SS

42 Section 1. Paragraph 32 of subsection (c) of section 612 of the tax  
43 law, as amended by chapter 81 of the laws of 2008, is amended to read as  
44 follows:  
45 (32) Contributions made during the taxable year by an account owner to  
46 one or more family tuition accounts established under the New York state  
47 college choice tuition savings program provided for under article four-  
48 teen-A of the education law, to the extent not deductible or eligible  
49 for credit for federal income tax purposes, provided, however, the  
50 exclusion provided for in this paragraph shall not exceed [five] TEN  
51 thousand dollars for an individual or head of household, and for married  
52 couples who file joint tax returns, shall not exceed [ten] TWENTY thou-  
53 sand dollars; provided, further, that such exclusion shall be available  
54 only to the account owner and not to any other person.

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

3 PART TT

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

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

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

12 PART UU

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

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

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

32 S 283-D. REGISTRATION OF WHOLESALERS OF MOTOR FUEL. (A) REGISTRATION  
33 REQUIRED. EACH WHOLESALE OF MOTOR FUEL MUST BE REGISTERED WITH THE  
34 DEPARTMENT UNDER THIS SECTION. NO WHOLESALE OF MOTOR FUEL SHALL MAKE A  
35 SALE OF MOTOR FUEL IN THIS STATE OTHER THAN A RETAIL SALE NOT IN BULK  
36 UNLESS SUCH WHOLESALE IS SO REGISTERED. THE DEPARTMENT, UPON THE  
37 APPLICATION OF A PERSON, SHALL REGISTER SUCH PERSON AS A WHOLESALE OF  
38 MOTOR FUEL EXCEPT THAT THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLI-  
39 CANT FOR ANY OF THE GROUNDS SPECIFIED IN SUBDIVISION TWO OR FIVE OF  
40 SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE OR IN SUBDIVISION (C)  
41 OF THIS SECTION. THE APPLICATION SHALL BE IN SUCH FORM AND CONTAIN SUCH  
42 INFORMATION AS THE COMMISSIONER SHALL PRESCRIBE. ALL OF THE PROVISIONS  
43 OF SUBDIVISIONS TWO, FOUR, FIVE, SIX, SEVEN, EIGHT, NINE AND TEN OF  
44 SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTICLE RELATING TO REGISTRA-  
45 TION OF DISTRIBUTORS SHALL BE APPLICABLE TO THE REGISTRATION OF WHOLE-  
46 SALERS OF MOTOR FUEL UNDER THIS SECTION WITH THE SAME FORCE AND EFFECT  
47 AS IF THE LANGUAGE OF SUCH SUBDIVISIONS HAD BEEN INCORPORATED IN FULL IN  
48 THIS SECTION AND HAD EXPRESSLY REFERRED TO THE REGISTRATION OF WHOLE-  
49 SALERS OF MOTOR FUEL, WITH SUCH MODIFICATION AS MAY BE NECESSARY IN  
50 ORDER TO ADAPT THE LANGUAGE OF SUCH PROVISIONS TO THE PROVISIONS OF THIS  
51 SECTION, PROVIDED, SPECIFICALLY, THAT THE TERM "DISTRIBUTOR" SHALL BE  
52 READ AS "WHOLESALE OF MOTOR FUEL." PROVIDED, HOWEVER, THAT IF THE

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

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

29 (C) REFUSAL TO REGISTER. FOR THE PURPOSES OF DETERMINING WHETHER TO  
30 REFUSE AN APPLICATION FOR REGISTRATION UNDER THIS SECTION, THE REFER-  
31 ENCES IN SUBDIVISION TWO OF SECTION TWO HUNDRED EIGHTY-THREE OF THIS  
32 ARTICLE TO EMPLOYEES OR SHAREHOLDERS UNDER A DUTY TO FILE A RETURN UNDER  
33 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY  
34 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF OF THE APPLICANT  
35 OR ANOTHER PERSON SHALL BE DEEMED TO ALSO INCLUDE AN EMPLOYEE UNDER A  
36 DUTY TO FILE A RETURN OR PAY TAXES UNDER OR PURSUANT TO THE AUTHORITY OF  
37 THIS ARTICLE ON BEHALF OF SUCH APPLICANT OR OTHER PERSON. IN ADDITION TO  
38 THE GROUNDS SPECIFIED IN SECTION TWO HUNDRED EIGHTY-THREE OF THIS ARTI-  
39 CLE, THE COMMISSIONER MAY REFUSE TO REGISTER AN APPLICANT WHERE THE  
40 COMMISSIONER ASCERTAINS THAT THE APPLICANT, AN OFFICER, DIRECTOR OR  
41 PARTNER OF THE APPLICANT, A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING  
42 MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK OF SUCH APPLICANT  
43 (WHERE SUCH APPLICANT IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO  
44 VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR AN EMPLOYEE OR SHARE-  
45 HOLDER OF SUCH APPLICANT WHO, AS SUCH EMPLOYEE OR SHAREHOLDER IS UNDER A  
46 DUTY TO FILE A RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE  
47 OR TO PAY THE TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS  
48 ARTICLE ON BEHALF OF THE APPLICANT; (1) HAS COMMITTED ANY OF THE ACTS OR  
49 OMISSIONS WHICH ARE, OR WAS CONVICTED AS, SPECIFIED IN SUBDIVISION (D)  
50 OF THIS SECTION WITHIN THE PRECEDING FIVE YEARS; OR (2) WAS AN OFFICER,  
51 DIRECTOR OR PARTNER OF ANOTHER PERSON, OR WHO DIRECTLY OR INDIRECTLY  
52 OWNED MORE THAN TEN PERCENT OF THE SHARES OF STOCK OF ANOTHER PERSON  
53 (WHERE SUCH OTHER PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF  
54 TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR WHO WAS AN EMPLOY-  
55 EE OR SHAREHOLDER OF ANOTHER PERSON UNDER A DUTY TO FILE A RETURN UNDER  
56 OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR PAY THE TAXES IMPOSED BY

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

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

11 (1) A REGISTRATION AS A WHOLESALE OF MOTOR FUEL MAY BE CANCELLED OR  
12 SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFI-  
13 CER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR  
14 INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK  
15 OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING  
16 THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR  
17 AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A  
18 RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE  
19 TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF  
20 OF THE REGISTRANT

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

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

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

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

31 (E) WITH RESPECT TO A WHOLESALE OF MOTOR FUEL WHICH IS A CORPORATION,  
32 HAS BEEN DISSOLVED PURSUANT TO SECTION TWO HUNDRED THREE-A AND SUBDIVI-  
33 SION (D) OF SECTION THREE HUNDRED TEN OF THIS CHAPTER,

34 (F) COMMITS FRAUD OR DECEIT IN HIS, HER OR ITS OPERATIONS AS A WHOLE-  
35 SALE OF MOTOR FUEL OR HAS COMMITTED FRAUD OR DECEIT IN PROCURING HIS,  
36 HER OR ITS REGISTRATION,

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

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

43 (2) A REGISTRATION AS A WHOLESALE OF MOTOR FUEL MAY BE CANCELLED OR  
44 SUSPENDED IF THE COMMISSIONER DETERMINES THAT A REGISTRANT OR AN OFFI-  
45 CER, DIRECTOR OR PARTNER OF THE REGISTRANT, A SHAREHOLDER DIRECTLY OR  
46 INDIRECTLY OWNING MORE THAN TEN PERCENT OF THE NUMBER OF SHARES OF STOCK  
47 OF SUCH REGISTRANT (WHERE SUCH REGISTRANT IS A CORPORATION) ENTITLING  
48 THE HOLDER THEREOF TO VOTE FOR THE ELECTION OF DIRECTORS OR TRUSTEES, OR  
49 AN EMPLOYEE OR SHAREHOLDER OF SUCH REGISTRANT UNDER A DUTY TO FILE A  
50 RETURN UNDER OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE OR TO PAY THE  
51 TAXES IMPOSED BY OR PURSUANT TO THE AUTHORITY OF THIS ARTICLE ON BEHALF  
52 OF THE REGISTRANT, WAS AN OFFICER, DIRECTOR OR PARTNER OF ANOTHER PERSON  
53 OR WAS A SHAREHOLDER DIRECTLY OR INDIRECTLY OWNING MORE THAN TEN PERCENT  
54 OF THE NUMBER OF SHARES OF STOCK OF ANOTHER PERSON (WHERE SUCH OTHER  
55 PERSON IS A CORPORATION) ENTITLING THE HOLDER THEREOF TO VOTE FOR THE  
56 ELECTION OF DIRECTORS OR TRUSTEES, OR WAS AN EMPLOYEE OR SHAREHOLDER OF

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

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

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

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

26 (3) THE TRANSFER OF A REGISTRATION AS A WHOLESALER OF MOTOR FUEL WITH-  
27 OUT THE PRIOR WRITTEN APPROVAL OF THE COMMISSIONER, OR

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

31 S 3. Section 287 of the tax law is amended by adding a new subdivision  
32 3 to read as follows:

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

44 S 4. Section 1102 of the tax law is amended by adding a new subdivi-  
45 sion (f) to read as follows:

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

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

54 (3) WHEN A WHOLESALER OF MOTOR FUEL SELLS MOTOR FUEL IN A REGION, AS  
55 DEFINED IN PARAGRAPH ONE OF THIS SUBDIVISION, DIFFERENT FROM THE REGION  
56 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

1 provisions of such article twenty-eight can be made applicable to the  
2 taxes imposed by such city or county and with such limitations and  
3 special provisions as are set forth in this article. The taxes author-  
4 ized under this subdivision may not be imposed by a city or county  
5 unless the local law, ordinance or resolution imposes such taxes so as  
6 to include all portions and all types of receipts, charges or rents,  
7 subject to state tax under sections eleven hundred five and eleven  
8 hundred ten of this chapter, except as otherwise provided. (i) Any local  
9 law, ordinance or resolution enacted by any city of less than one  
10 million or by any county or school district, imposing the taxes author-  
11 ized by this subdivision, shall, notwithstanding any provision of law to  
12 the contrary, exclude from the operation of such local taxes all sales  
13 of tangible personal property for use or consumption directly and  
14 predominantly in the production of tangible personal property, gas,  
15 electricity, refrigeration or steam, for sale, by manufacturing, proc-  
16 essing, generating, assembly, refining, mining or extracting; and all  
17 sales of tangible personal property for use or consumption predominantly  
18 either in the production of tangible personal property, for sale, by  
19 farming or in a commercial horse boarding operation, or in both; and,  
20 unless such city, county or school district elects otherwise, shall omit  
21 the provision for credit or refund contained in clause six of subdivi-  
22 sion (a) or subdivision (d) of section eleven hundred nineteen of this  
23 chapter. (ii) Any local law, ordinance or resolution enacted by any  
24 city, county or school district, imposing the taxes authorized by this  
25 subdivision, shall omit the residential solar energy systems equipment  
26 and electricity exemption provided for in subdivision (ee), the commer-  
27 cial solar energy systems equipment and electricity exemption provided  
28 for in subdivision (ii), THE COMMERCIAL FUEL CELL ELECTRICITY GENERATING  
29 SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT EXEMPTION  
30 PROVIDED FOR IN SUBDIVISION (KK) and the clothing and footwear exemption  
31 provided for in paragraph thirty of subdivision (a) of section eleven  
32 hundred fifteen of this chapter, unless such city, county or school  
33 district elects otherwise as to [either] such residential solar energy  
34 systems equipment and electricity exemption, such commercial solar ener-  
35 gy systems equipment and electricity exemption, COMMERCIAL FUEL CELL  
36 ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY  
37 SUCH EQUIPMENT EXEMPTION or such clothing and footwear exemption.

38 (4) Notwithstanding any other provision of law to the contrary, any  
39 local law enacted by any city of one million or more that imposes the  
40 taxes authorized by this subdivision (i) may omit the exception provided  
41 in subparagraph (ii) of paragraph three of subdivision (c) of section  
42 eleven hundred five of this chapter for receipts from laundering, dry-  
43 cleaning, tailoring, weaving, pressing, shoe repairing and shoe shining;  
44 (ii) may impose the tax described in paragraph six of subdivision (c) of  
45 section eleven hundred five of this chapter at a rate in addition to the  
46 rate prescribed by this section not to exceed two percent in multiples  
47 of one-half of one percent; (iii) shall provide that the tax described  
48 in paragraph six of subdivision (c) of section eleven hundred five of  
49 this chapter does not apply to facilities owned and operated by the city  
50 or an agency or instrumentality of the city or a public corporation the  
51 majority of whose members are appointed by the chief executive officer  
52 of the city or the legislative body of the city or both of them; (iv)  
53 shall not include any tax on receipts from, or the use of, the services  
54 described in paragraph seven of subdivision (c) of section eleven  
55 hundred five of this chapter; (v) shall provide that, for purposes of  
56 the tax described in subdivision (e) of section eleven hundred five of



1 this chapter, "permanent resident" means any occupant of any room or  
2 rooms in a hotel for at least one hundred eighty consecutive days with  
3 regard to the period of such occupancy; (vi) may omit the exception  
4 provided in paragraph one of subdivision (f) of section eleven hundred  
5 five of this chapter for charges to a patron for admission to, or use  
6 of, facilities for sporting activities in which the patron is to be a  
7 participant, such as bowling alleys and swimming pools; (vii) may  
8 provide the clothing and footwear exemption in paragraph thirty of  
9 subdivision (a) of section eleven hundred fifteen of this chapter, and,  
10 notwithstanding any provision of subdivision (d) of this section to the  
11 contrary, any local law providing for such exemption or repealing such  
12 exemption, may go into effect on any one of the following dates: March  
13 first, June first, September first or December first; (viii) shall omit  
14 the exemption provided in paragraph forty-one of subdivision (a) of  
15 section eleven hundred fifteen of this chapter; (ix) shall omit the  
16 exemption provided in subdivision (c) of section eleven hundred fifteen  
17 of this chapter insofar as it applies to fuel, gas, electricity, refrigeration and steam, and gas, electric, refrigeration and steam service of  
18 whatever nature for use or consumption directly and exclusively in the  
19 production of gas, electricity, refrigeration or steam; (x) shall omit,  
20 unless such city elects otherwise, the provision for refund or credit  
21 contained in clause six of subdivision (a) or in subdivision (d) of  
22 section eleven hundred nineteen of this chapter; (xi) shall provide that  
23 section eleven hundred five-C of this chapter does not apply to such  
24 taxes, and shall tax receipts from every sale, other than sales for  
25 resale, of gas service or electric service of whatever nature, including  
26 the transportation, transmission or distribution of gas or electricity,  
27 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,  
28 unless such city elects otherwise, the exemption for residential solar  
29 energy systems equipment and electricity provided in subdivision (ee) of  
30 section eleven hundred fifteen of this chapter; [and] (xiii) shall omit,  
31 unless such city elects otherwise, the exemption for commercial solar  
32 energy systems equipment and electricity provided in subdivision (ii) of  
33 section eleven hundred fifteen of this chapter; AND (XIV) SHALL OMIT,  
34 UNLESS SUCH CITY ELECTS OTHERWISE, THE EXEMPTION FOR COMMERCIAL FUEL  
35 CELL ELECTRICITY GENERATING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED  
36 BY SUCH EQUIPMENT PROVIDED IN SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED  
37 FIFTEEN OF THIS CHAPTER. Any reference in this chapter or in any local  
38 law, ordinance or resolution enacted pursuant to the authority of this  
39 article to former subdivisions (n) or (p) of this section shall be  
40 deemed to be a reference to clauses (xii) [or], (xiii) OR (XIV) of this  
41 paragraph, respectively, and any such local law, ordinance or resolution  
42 that provides the exemptions provided in such former subdivisions (n)  
43 and/or (p) shall be deemed instead to provide the exemptions provided in  
44 clauses (xii) [and/or], (xiii) AND/OR (XIV) of this paragraph.

47 S 3. Paragraph 1 of subdivision (b) of section 1210 of the tax law,  
48 as amended by section 4 of part Z of chapter 59 of the laws of 2015, is  
49 amended to read as follows:

50 (1) Or, one or more of the taxes described in subdivisions (b), (d),  
51 (e) and (f) of section eleven hundred five of this chapter, at the same  
52 uniform rate, including the transitional provisions in section eleven  
53 hundred six of this chapter covering such taxes, but not the taxes  
54 described in subdivisions (a) and (c) of section eleven hundred five of  
55 this chapter. Provided, further, that where the tax described in subdivision (b) of section eleven hundred five of this chapter is imposed,

1 the compensating use taxes described in clauses (E), (G) and (H) of  
2 subdivision (a) of section eleven hundred ten of this chapter shall also  
3 be imposed. Provided, further, that where the taxes described in subdivi-  
4 sion (b) of section eleven hundred five are imposed, such taxes shall  
5 omit: (A) the provision for refund or credit contained in subdivision  
6 (d) of section eleven hundred nineteen of this chapter with respect to  
7 such taxes described in such subdivision (b) of section eleven hundred  
8 five unless such city or county elects to provide such provision or, if  
9 so elected, to repeal such provision; (B) the exemption provided in  
10 paragraph two of subdivision (ee) of section eleven hundred fifteen of  
11 this chapter unless such county or city elects otherwise; [and] (C) the  
12 exemption provided in paragraph two of subdivision (ii) of section elev-  
13 en hundred fifteen of this chapter, unless such county or city elects  
14 otherwise; AND (D) THE EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVI-  
15 SION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS CHAPTER, UNLESS SUCH  
16 COUNTY OR CITY ELECTS OTHERWISE.

17 S 4. Subdivision (d) of section 1210 of the tax law, as amended by  
18 section 4-a of part Z of chapter 59 of the laws of 2015, is amended to  
19 read as follows:

20 (d) A local law, ordinance or resolution imposing any tax pursuant to  
21 this section, increasing or decreasing the rate of such tax, repealing  
22 or suspending such tax, exempting from such tax the energy sources and  
23 services described in paragraph three of subdivision (a) or of subdivi-  
24 sion (b) of this section or changing the rate of tax imposed on such  
25 energy sources and services or providing for the credit or refund  
26 described in clause six of subdivision (a) of section eleven hundred  
27 nineteen of this chapter, or electing or repealing the exemption for  
28 residential solar equipment and electricity in subdivision (ee) of  
29 section eleven hundred fifteen of this article, or the exemption for  
30 commercial solar equipment and electricity in subdivision (ii) of  
31 section eleven hundred fifteen of this article, OR ELECTING OR REPEALING  
32 THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERATING SYSTEMS  
33 EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT IN SUBDIVISION  
34 (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE must go into  
35 effect only on one of the following dates: March first, June first,  
36 September first or December first; provided, that a local law, ordinance  
37 or resolution providing for the exemption described in paragraph thirty  
38 of subdivision (a) of section eleven hundred fifteen of this chapter or  
39 repealing any such exemption or a local law, ordinance or resolution  
40 providing for a refund or credit described in subdivision (d) of section  
41 eleven hundred nineteen of this chapter or repealing such provision so  
42 provided must go into effect only on March first. No such local law,  
43 ordinance or resolution shall be effective unless a certified copy of  
44 such law, ordinance or resolution is mailed by registered or certified  
45 mail to the commissioner at the commissioner's office in Albany at least  
46 ninety days prior to the date it is to become effective. However, the  
47 commissioner may waive and reduce such ninety-day minimum notice  
48 requirement to a mailing of such certified copy by registered or certi-  
49 fied mail within a period of not less than thirty days prior to such  
50 effective date if the commissioner deems such action to be consistent  
51 with the commissioner's duties under section twelve hundred fifty of  
52 this article and the commissioner acts by resolution. Where the  
53 restriction provided for in section twelve hundred twenty-three of this  
54 article as to the effective date of a tax and the notice requirement  
55 provided for therein are applicable and have not been waived, the

1 restriction and notice requirement in section twelve hundred twenty-  
2 three of this article shall also apply.

3 S 5. Subdivision (a) of section 1212 of the tax law, as amended by  
4 section 6 of part Z of chapter 59 of the laws of 2015, is amended to  
5 read as follows:

6 (a) Any school district which is coterminous with, partly within or  
7 wholly within a city having a population of less than one hundred twen-  
8 ty-five thousand, is hereby authorized and empowered, by majority vote  
9 of the whole number of its school authorities, to impose for school  
10 district purposes, within the territorial limits of such school district  
11 and without discrimination between residents and nonresidents thereof,  
12 the taxes described in subdivision (b) of section eleven hundred five  
13 (but excluding the tax on prepaid telephone calling services) and the  
14 taxes described in clauses (E) and (H) of subdivision (a) of section  
15 eleven hundred ten, including the transitional provisions in subdivision  
16 (b) of section eleven hundred six of this chapter, so far as such  
17 provisions can be made applicable to the taxes imposed by such school  
18 district and with such limitations and special provisions as are set  
19 forth in this article, such taxes to be imposed at the rate of one-half,  
20 one, one and one-half, two, two and one-half or three percent which rate  
21 shall be uniform for all portions and all types of receipts and uses  
22 subject to such taxes. In respect to such taxes, all provisions of the  
23 resolution imposing them, except as to rate and except as otherwise  
24 provided herein, shall be identical with the corresponding provisions in  
25 such article twenty-eight of this chapter, including the applicable  
26 definition and exemption provisions of such article, so far as the  
27 provisions of such article twenty-eight of this chapter can be made  
28 applicable to the taxes imposed by such school district and with such  
29 limitations and special provisions as are set forth in this article. The  
30 taxes described in subdivision (b) of section eleven hundred five (but  
31 excluding the tax on prepaid telephone calling service) and clauses (E)  
32 and (H) of subdivision (a) of section eleven hundred ten, including the  
33 transitional provision in subdivision (b) of such section eleven hundred  
34 six of this chapter, may not be imposed by such school district unless  
35 the resolution imposes such taxes so as to include all portions and all  
36 types of receipts and uses subject to tax under such subdivision (but  
37 excluding the tax on prepaid telephone calling service) and clauses.  
38 Provided, however, that, where a school district imposes such taxes,  
39 such taxes shall omit the provision for refund or credit contained in  
40 subdivision (d) of section eleven hundred nineteen of this chapter with  
41 respect to such taxes described in such subdivision (b) of section elev-  
42 en hundred five unless such school district elects to provide such  
43 provision or, if so elected, to repeal such provision, and shall omit  
44 the exemptions provided in paragraph two of subdivision (ee) and para-  
45 graph two of subdivision (ii) of section eleven hundred fifteen of this  
46 chapter unless such school district elects otherwise, AND SHALL OMIT THE  
47 EXEMPTION PROVIDED IN PARAGRAPH TWO OF SUBDIVISION (KK) OF SECTION ELEV-  
48 EN HUNDRED FIFTEEN OF THIS CHAPTER UNLESS SUCH SCHOOL DISTRICT ELECTS  
49 OTHERWISE.

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

52 (C-2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW: (1) WHERE A COUNTY  
53 CONTAINING ONE OR MORE CITIES WITH A POPULATION OF LESS THAN ONE MILLION  
54 HAS ELECTED THE EXEMPTION FOR COMMERCIAL FUEL CELL ELECTRICITY GENERAT-  
55 ING SYSTEMS EQUIPMENT AND ELECTRICITY GENERATED BY SUCH EQUIPMENT  
56 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-XXXX 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

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

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

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

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

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

39 2. NOTWITHSTANDING ANY OTHER LAW, RULE OR REGULATION TO THE CONTRARY,  
40 THE STATE COMPTROLLER IS HEREBY AUTHORIZED AND DIRECTED TO RECEIVE FOR  
41 DEPOSIT TO THE CREDIT OF THE CIGARETTE TAX ENFORCEMENT FUND MONIES  
42 RECEIVED FROM THE COMMISSIONER OF TAXATION AND FINANCE FROM THE CONCUR-  
43 RENT EXPENSE ALLOWANCE PAID PURSUANT TO SUBDIVISION ONE OF SECTION FOUR  
44 HUNDRED SEVENTY-TWO OF THE TAX LAW, MONIES RECEIVED FROM THE COMMISSION-  
45 ER OF TAXATION AND FINANCE FROM THE SALE OF FORFEITED CIGARETTES AUTHOR-  
46 IZED PURSUANT TO SECTION EIGHTEEN HUNDRED FORTY-SIX OF THE TAX LAW, AND  
47 OTHER MONIES APPROPRIATED, CREDITED OR TRANSFERRED THERETO FROM ANY  
48 OTHER FUND OR SOURCE.

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

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

1 5. MONIES OF THE FUND SHALL BE AVAILABLE TO THE COMMISSIONER OF TAXA-  
2 TION AND FINANCE FOR PURPOSES OF CARRYING OUT THE PROVISIONS OF SUBDIVI-  
3 SION (J) OF SECTION EIGHTEEN HUNDRED FOURTEEN OF THE TAX LAW AND SHALL  
4 BE PAID OUT OF THE FUND ON THE AUDIT AND WARRANT OF THE COMPTROLLER ON  
5 VOUCHERS CERTIFIED OR APPROVED BY THE COMMISSIONER OF TAXATION AND  
6 FINANCE.

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

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

25 (a) Whenever a police officer designated in section 1.20 of the crimi-  
26 nal procedure law or a peace officer designated in subdivision four of  
27 section 2.10 of such law, acting pursuant to his or her special duties,  
28 shall discover any cigarettes subject to tax provided by article twenty  
29 of this chapter or by chapter thirteen of title eleven of the adminis-  
30 trative code of the city of New York, and upon which the tax has not  
31 been paid or the stamps not affixed as required by such article or such  
32 chapter thirteen, they are hereby authorized and empowered forthwith to  
33 seize and take possession of such cigarettes, together with any vending  
34 machine or receptacle in which they are held for sale. Such cigarettes,  
35 vending machine or receptacle seized by a police officer or such peace  
36 officer shall be turned over to the commissioner. Such seized ciga-  
37 rettes, vending machine or receptacle, not including money contained in  
38 such vending machine or receptacle, shall be forfeited to the state. The  
39 commissioner may, within a reasonable time thereafter, upon publication  
40 of a notice to such effect for at least five successive days, before the  
41 day of sale, in a newspaper published or circulated in the county where  
42 the seizure was made, sell such forfeited vending machines or recepta-  
43 cles at public sale and pay the proceeds into the state treasury to the  
44 credit of the general fund. Notwithstanding any other provision of this  
45 section, the commissioner may enter into an agreement with any city of  
46 this state which is authorized to impose a tax similar to that imposed  
47 by article twenty of this chapter to provide for the disposition between  
48 the state and any such city of the proceeds from any such sale. All  
49 cigarettes forfeited to the state [shall be destroyed or used for law  
50 enforcement purposes], except [that] cigarettes that violate, or are  
51 suspected of violating, federal trademark laws or import laws shall [not  
52 be used for law enforcement purposes. If the commissioner determines the  
53 cigarettes may not be used for law enforcement purposes], UPON PUBLICA-  
54 TION IN THE STATE REGISTRY, BE AVAILABLE FOR INSPECTION BY THE MANUFAC-  
55 Turer WHO SHALL DETERMINE WHETHER SUCH CIGARETTES ARE OF SALEABLE QUALI-  
56 TY AND SUCH CIGARETTES SHALL BE OFFERED FOR SALE TO SUCH MANUFACTURERS.

1 ANY CIGARETTES THAT ARE EITHER NOT INSPECTED BY THE MANUFACTURER WITHIN  
2 FIVE DAYS OF THE PUBLICATION IN THE STATE REGISTRY OR ARE NOT PURCHASED  
3 BY THE MANUFACTURER AFTER BEING DETERMINED TO BE OF SALEABLE QUALITY  
4 SHALL, UPON PUBLICATION IN THE STATE REGISTRY, BE OFFERED FOR SALE TO  
5 AGENTS, AS SUCH TERM IS DEFINED IN SUBDIVISION ELEVEN OF SECTION FOUR  
6 HUNDRED SEVENTY OF THIS CHAPTER, TO A PRICE EQUALING TWO DOLLARS AND  
7 TWENTY CENTS PER PACK OF TWENTY CIGARETTES. ANY SUCH CIGARETTES THAT ARE  
8 EITHER NOT SOLD WITHIN A REASONABLE PERIOD OF TIME AFTER BEING OFFERED  
9 FOR SALE TO AGENTS OR DEEMED UNSALEABLE BY THE MANUFACTURER SHALL, UPON  
10 PUBLICATION IN THE STATE REGISTRY, BE DESTROYED OR USED FOR LAW ENFORCE-  
11 MENT PURPOSES. IF THE COMMISSIONER DETERMINES THE CIGARETTES MAY NOT BE  
12 OFFERED FOR SALE TO THE MANUFACTURERS OR AGENTS, OR USED FOR LAW  
13 ENFORCEMENT PURPOSES BECAUSE SUCH CIGARETTES VIOLATE, OR ARE SUSPECTED  
14 OF VIOLATING, FEDERAL TRADEMARK LAWS OR IMPORT LAWS, the commissioner  
15 must, within a reasonable time after the forfeiture of such cigarettes,  
16 upon publication in the state registry, destroy such forfeited ciga-  
17 rettes. The commissioner may, prior to any destruction of cigarettes,  
18 permit the true holder of the trademark rights in the cigarettes to  
19 inspect such forfeited cigarettes in order to assist in any investi-  
20 gation regarding such cigarettes. THE REVENUE FROM ALL SALES OF CIGA-  
21 RETTES MADE PURSUANT TO THIS SUBDIVISION SHALL BE DEPOSITED IN THE CIGA-  
22 RETTE TAX ENFORCEMENT FUND, AS ESTABLISHED IN SECTION NINETY-SEVEN-XXXX  
23 OF THE STATE FINANCE LAW.

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

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

49 S 5. Subdivision (b) of section 483 of the tax law, as amended by  
50 chapter 860 of the laws of 1987, subparagraph (A) of paragraph 1 and  
51 subparagraph (B) of paragraph 3 as amended by chapter 744 of the laws of  
52 1990, subparagraph (B) of paragraph 1 as amended by chapter 1 of the  
53 laws of 1999 and subparagraph (B) of paragraph 2 as amended by chapter 4  
54 of the laws of 1988, is amended to read as follows:

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

1 the accounting standards and methods regularly employed by said agent in  
2 his determination of costs for the purpose of federal income tax report-  
3 ing for the total operation of his establishment, and must include,  
4 without limitation, labor, including salaries of executives and offi-  
5 cers, rent, depreciation, selling costs, maintenance of equipment,  
6 delivery costs, interest payable, all types of licenses, taxes, insur-  
7 ance and advertising expressed as a percentage and applied to the basic  
8 cost of cigarettes. Any fractional part of a cent in the cost to the  
9 agent per carton of cigarettes shall be rounded off to the next higher  
10 cent. In the case of sales at retail by an agent, the "cost of the  
11 agent" shall be the same as the "cost of the retail dealer". In the case  
12 of sales of cigarettes to a chain store having fifteen or more retail  
13 outlets, excluding vending machine operators, which are delivered to a  
14 central warehouse owned and operated by such chain store and which are  
15 delivered to its retail outlets by the chain store, the "cost of the  
16 agent" shall be presumed to be the basic cost of cigarettes. There shall  
17 be determined a separate cost of the agent for sales to wholesale deal-  
18 ers and for sales to retail dealers.

19 (B) In the absence of the filing with the commissioner of satisfactory  
20 proof of a lesser cost of doing business of the agent making the sale,  
21 the cost of doing business by the agent shall be presumed to be [seven-  
22 eighths of one] TWO AND ONE-QUARTER percent of the basic cost of ciga-  
23 rettes for sales to wholesale dealers plus one cent per package of ten  
24 cigarettes, two cents per package of twenty cigarettes and in the case  
25 of a package containing more than twenty cigarettes, two cents and one-  
26 half of a cent for each five cigarettes in excess of twenty cigarettes,  
27 [one and one-half] FIVE AND THREE-QUARTER percent of the basic cost of  
28 cigarettes for sales to chain stores plus one cent per package of ten  
29 cigarettes, two cents per package of twenty cigarettes and in the case  
30 of a package containing more than twenty cigarettes, two cents and one-  
31 half of a cent for each five cigarettes in excess of twenty cigarettes  
32 and [three and seven-eighths] FIVE AND THREE-QUARTER percent of the  
33 basic cost of cigarettes with respect to sales to retail dealers plus  
34 one cent per package of ten cigarettes, two cents per package of twenty  
35 cigarettes and in the case of a package containing more than twenty  
36 cigarettes, two cents and one-half of a cent for each five cigarettes in  
37 excess of twenty cigarettes and the foregoing cents per pack shall be  
38 included in the "cost of doing business by the agent" referred to in  
39 paragraphs two and three of this subdivision.

40 2. (A) The term "cost of the wholesale dealer" shall mean the basic  
41 cost of cigarettes plus the cost of doing business by the wholesale  
42 dealer as evidenced by the accounting standards and methods regularly  
43 employed by said wholesale dealer in his determination of costs for the  
44 purpose of federal income tax reporting for the total operation of his  
45 establishment, and must include, without limitation, labor, including  
46 salaries of executives and officers, rent, depreciation, selling costs,  
47 maintenance of equipment, delivery costs, interest payable, all types of  
48 licenses, taxes, insurance and advertising expressed as a percentage and  
49 applied to the basic cost of cigarettes, plus the cost of doing business  
50 by the agent with respect to sales of cigarettes to wholesale dealers.  
51 Any fractional part of a cent in the cost to the wholesale dealer per  
52 carton of cigarettes shall be rounded off to the next higher cent. In  
53 the case of sales at retail by a wholesale dealer, the "cost of the  
54 wholesale dealer" shall be the same as the "cost of the retail dealer".  
55 There shall be determined a separate cost of the wholesale dealer for  
56 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-0000 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 97-0000 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

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

12 S 8. This act shall take effect on the first day of the sales tax  
13 quarterly period, as described in subdivision (b) of section 1136 of the  
14 tax law, next succeeding the thirtieth day after it shall have become a  
15 law and shall apply in accordance with the applicable transitional  
16 provisions of sections 1106 and 1217 of the tax law.

17 PART XX

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

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

23 S 2. This act shall take effect immediately.

24 PART YY

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

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

44 S 2. Paragraph (a) of subdivision 14 of section 210-B of the tax law,  
45 as added by section 17 of part A of chapter 59 of the laws of 2014, is  
46 amended to read as follows:

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

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

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

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

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

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

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

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

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

12 (1) THE DATE SUCH POLICY TOOK EFFECT;  
13 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;  
14 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;  
15 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH  
16 INCREASE;

17 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-  
18 LY PRIOR CALENDAR YEAR; AND

19 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-  
20 CY.

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

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

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

30 S 4306-H. DOCUMENTATION TO BE PROVIDED TO LONG-TERM CARE POLICY HOLD-  
31 ERS. (A) ALL INSURERS ISSUING POLICIES PURSUANT TO THE PROVISIONS OF  
32 SECTION FOUR THOUSAND THREE HUNDRED FOUR OF THIS ARTICLE AND SUBJECT TO  
33 THE PROVISIONS OF SECTION FOUR THOUSAND THREE HUNDRED SIX OF THIS ARTI-  
34 CLE THAT ARE FOR OR INCLUDE LONG-TERM CARE BENEFITS SHALL ISSUE TO EACH  
35 POLICY HOLDER AN ANNUAL STATEMENT THAT INCLUDES THE FOLLOWING INFORMA-  
36 TION:

37 (1) THE DATE SUCH POLICY TOOK EFFECT;  
38 (2) THE AGE OF THE INSURED ON THE DATE THAT SUCH POLICY TOOK EFFECT;  
39 (3) THE ORIGINAL PREMIUM AMOUNT FOR SUCH POLICY;  
40 (4) FOR EACH PREMIUM INCREASE, IF ANY, THE DATE AND AMOUNT OF SUCH  
41 INCREASE;

42 (5) THE TOTAL AMOUNT OF PREMIUM PAID ON SUCH POLICY FOR THE IMMEDIATE-  
43 LY PRIOR CALENDAR YEAR; AND

44 (6) THE TOTAL AMOUNT OF PREMIUM PAID SINCE THE INCEPTION OF SUCH POLI-  
45 CY.

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

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

53 S 7. This act shall take effect immediately.

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

4 3. Moneys of the account, following the segregation of appropriations  
5 enacted by the legislature, shall be available for purposes including  
6 but not limited to: (a) reimbursements or payments to municipal govern-  
7 ments that host tribal casinos pursuant to a tribal-state compact for  
8 costs incurred in connection with services provided to such casinos or  
9 arising as a result thereof, for economic development opportunities and  
10 job expansion programs authorized by the executive law; provided, howev-  
11 er, that for any gaming facility located in the city of Buffalo, the  
12 city of Buffalo shall receive a minimum of twenty-five percent of the  
13 negotiated percentage of the net drop from electronic gaming devices the  
14 state receives pursuant to the compact, and provided further that for  
15 any gaming facility located in the city of Niagara Falls, county of  
16 Niagara a minimum of [twenty-five] SEVENTY-FIVE percent of the negoti-  
17 ated percentage of the net drop from electronic gaming devices the state  
18 receives pursuant to the compact shall be distributed in accordance with  
19 subdivision four of this section, and provided further that for any  
20 gaming facility located in the county or counties of Cattaraugus, Chau-  
21 tauqua or Allegany, the municipal governments of the state hosting the  
22 facility shall collectively receive a minimum of twenty-five percent of  
23 the negotiated percentage of the net drop from electronic gaming devices  
24 the state receives pursuant to the compact; and provided further that  
25 pursuant to chapter five hundred ninety of the laws of two thousand  
26 four, a minimum of twenty-five percent of the revenues received by the  
27 state pursuant to the state's compact with the St. Regis Mohawk tribe  
28 shall be made available to the counties of Franklin and St. Lawrence,  
29 and affected towns in such counties. Each such county and its affected  
30 towns shall receive fifty percent of the moneys made available by the  
31 state; and provided further that the state shall annually make twenty-  
32 five percent of the negotiated percentage of the net drop from all  
33 gaming devices the state actually receives pursuant to the Oneida  
34 Settlement Agreement confirmed by section eleven of the executive law as  
35 available to the county of Oneida, and a sum of three and one-half  
36 million dollars to the county of Madison. Additionally, the state shall  
37 distribute for a period of nineteen and one-quarter years, an additional  
38 annual sum of two and one-half million dollars to the county of Oneida.  
39 Additionally, the state shall distribute the one-time eleven million  
40 dollar payment received by the state pursuant to such agreement with the  
41 Oneida Nation of New York to the county of Madison by wire transfer upon  
42 receipt of such payment by the state; and (b) support and services of  
43 treatment programs for persons suffering from gambling addictions.  
44 Moneys not segregated for such purposes shall be transferred to the  
45 general fund for the support of government during the fiscal year in  
46 which they are received.

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

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

1 any gaming facility located in the city of Buffalo, the city of Buffalo  
2 shall receive a minimum of twenty-five percent of the negotiated  
3 percentage of the net drop from electronic gaming devices the state  
4 receives pursuant to the compact, and provided further that for any  
5 gaming facility located in the city of Niagara Falls, county of Niagara  
6 a minimum of [twenty-five] SEVENTY-FIVE percent of the negotiated  
7 percentage of the net drop from electronic gaming devices the state  
8 receives pursuant to the compact shall be distributed in accordance with  
9 subdivision four of this section, and provided further that for any  
10 gaming facility located in the county or counties of Cattaraugus, Chau-  
11 tauqua or Allegany, the municipal governments of the state hosting the  
12 facility shall collectively receive a minimum of twenty-five percent of  
13 the negotiated percentage of the net drop from electronic gaming devices  
14 the state receives pursuant to the compact; and provided further that  
15 pursuant to chapter five hundred ninety of the laws of two thousand  
16 four, a minimum of twenty-five percent of the revenues received by the  
17 state pursuant to the state's compact with the St. Regis Mohawk tribe  
18 shall be made available to the counties of Franklin and St. Lawrence,  
19 and affected towns in such counties. Each such county and its affected  
20 towns shall receive fifty percent of the moneys made available by the  
21 state; and provided further that the state shall annually make twenty-  
22 five percent of the negotiated percentage of the net drop from all  
23 gaming devices the state actually receives pursuant to the Oneida  
24 Settlement Agreement as confirmed by section eleven of the executive law  
25 as available to the county of Oneida, and a sum of three and one-half  
26 million dollars to the county of Madison. Additionally, the state shall  
27 distribute for a period of nineteen and one-quarter years, an additional  
28 annual sum of two and one-half million dollars to the county of Oneida.  
29 Additionally, the state shall distribute the one-time eleven million  
30 dollar payment received by the state pursuant to such agreement with the  
31 Oneida Nation of New York to the county of Madison by wire transfer upon  
32 receipt of such payment by the state; and (b) support and services of  
33 treatment programs for persons suffering from gambling addictions.  
34 Moneys not appropriated for such purposes shall be transferred to the  
35 general fund for the support of government during the fiscal year in  
36 which they are received.

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

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

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

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

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

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

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

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

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

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

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

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

47 (5) [within thirty-five days upon receipt of such funds by such city,  
48 one percent or three hundred fifty thousand dollars, whichever is great-  
49 er, of the total annual amount received in each year shall be trans-  
50 ferred to the Niagara Falls Underground Railroad Heritage Commission,  
51 established pursuant to article forty-three of the parks, recreation and  
52 historic preservation law to be used for, but not limited to, develop-  
53 ment, capital improvements, acquisition of real property, and acquisi-  
54 tion of personal property within the heritage area in the city of  
55 Niagara Falls as established pursuant to the commission; provided in the  
56 event the distribution available pursuant to this clause exceeds one



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

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

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

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

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

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

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

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

30 1. the amendments to subdivision 3 of section 99-h of the state  
31 finance law made by section one of this act shall take effect January 1,  
32 2017 and shall be subject to the expiration and reversion of such subdi-  
33 vision as provided in section 3 of part W of chapter 60 of the laws of  
34 2011, as amended when upon such date the provisions of section two of  
35 this act shall take effect;

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

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

#### 46 PART AAA

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

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

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

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

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

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

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

29 (iii) have become permanently disabled due to a racing accident while  
30 eligible to receive benefits or would become eligible to receive bene-  
31 fits in the following year pursuant to subparagraph (i) of this para-  
32 graph; provided, however, if an individual fails to meet the qualifica-  
33 tion of such subparagraph (i) due to an injury resulting in a permanent  
34 disability, that individual shall be deemed to have met the qualifica-  
35 tion; and

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

37 (i) to rule on eligibility in the event of a denial of coverage pursu-  
38 ant to paragraph d of this subdivision. In the event of a denial of  
39 coverage, such individual denied eligibility may appeal to the gaming  
40 commission;

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

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

46 S 2. This act shall take effect immediately.

47 PART BBB

48 Section 1. The opening paragraph of subdivision 7 of section 221 of  
49 the racing, pari-mutuel wagering and breeding law, as amended by section  
50 1 of part VV of chapter 59 of the laws of 2015, is amended to read as  
51 follows:

52 In order to pay the costs of the insurance required by this section  
53 and by the workers' compensation law and to carry out its other powers  
54 and duties and to pay for any of its liabilities under section four-

1 teen-a of the workers' compensation law, the New York Jockey Injury  
2 Compensation Fund, Inc. shall ascertain the total funding necessary and  
3 establish the sums that are to be paid by all owners and trainers  
4 licensed or required to be licensed under section two hundred twenty of  
5 this article, to obtain the total funding amount required annually. In  
6 order to provide that any sum required to be paid by an owner or trainer  
7 is equitable, the fund shall establish payment schedules which reflect  
8 such factors as are appropriate, including where applicable, the  
9 geographic location of the racing corporation at which the owner or  
10 trainer participates, the duration of such participation, the amount of  
11 any purse earnings, the number of horses involved, or such other factors  
12 as the fund shall determine to be fair, equitable and in the best inter-  
13 ests of racing. In no event shall the amount deducted from an owner's  
14 share of purses exceed two per centum; PROVIDED, HOWEVER, FOR TWO THOU-  
15 SAND SIXTEEN, THE NEW YORK JOCKEY INJURY COMPENSATION FUND, INC. MAY USE  
16 UP TO TWO MILLION DOLLARS FROM THE ACCOUNT ESTABLISHED PURSUANT TO  
17 SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE TO PAY THE  
18 ANNUAL COSTS REQUIRED BY THIS SECTION AND THE FUNDS FROM SUCH ACCOUNT  
19 SHALL NOT COUNT AGAINST THE TWO PER CENTUM OF PURSES DEDUCTED FROM AN  
20 OWNER'S SHARE OF PURSES. The amount deducted from an owner's share of  
21 purses shall not exceed one per centum after April first, two thousand  
22 seventeen. In the cases of multiple ownerships and limited racing  
23 appearances, the fund shall equitably adjust the sum required.

24 S 2. Paragraph (a) of subdivision 9 of section 208 of the racing,  
25 pari-mutuel wagering and breeding law, as added by chapter 18 of the  
26 laws of 2008, is amended to read as follows:

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

36 S 3. This act shall take effect immediately.

37

#### PART CCC

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

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

43 1. THE COUNCIL SHALL BE COMPOSED OF FIVE MEMBERS. NONE OF THE MEMBERS  
44 OF THE COUNCIL SHALL BE EMPLOYEES OR OFFICERS OF THE COMMISSION OR BE  
45 PAID EMPLOYEES, LOBBYISTS, OR OFFICERS OF ANY LICENSED OR FRANCHISED  
46 RACETRACK OR OFF-TRACK BETTING CORPORATION OR ANY NONPROFIT CORPORATION  
47 WHICH REPRESENTS BREEDERS OR HORSEMEN. MEMBERS SHALL BE SELECTED BASED  
48 ON THEIR LONG-TERM INVOLVEMENT AND INTEREST IN, KNOWLEDGE OF, AND  
49 DEVOTION TO THE SPORT OF HORSE RACING AS FANS OF THE SPORT. FIVE PERSONS  
50 SHALL BE APPOINTED BY THE CHAIRPERSON OF THE COMMISSION. ONE PERSON  
51 SHALL BE APPOINTED UPON THE RECOMMENDATION OF THE CHAIRPERSON OF THE  
52 SENATE COMMITTEE ON RACING, GAMING AND WAGERING, AND ONE PERSON SHALL BE  
53 APPOINTED BY THE CHAIRPERSON OF THE ASSEMBLY COMMITTEE ON RACING AND  
54 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

## SECTION 1500. LEGISLATIVE FINDINGS AND PURPOSE.

1501. DEFINITIONS.

1502. REGISTRATION.

1503. REQUIRED SAFEGUARDS/MINIMUM STANDARDS.

1504. SCOPE OF REGISTRATION REVIEW.

1505. STATE TAX.

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

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

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

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

11 NO INTERACTIVE FANTASY SPORTS GAME OR CONTEST SHALL BE OFFERED INVOLV-  
12 ING FANTASY OR SIMULATION SPORTS TEAMS BASED UPON A PROHIBITED SPORTS  
13 EVENT.

14 6. "INTERACTIVE FANTASY SPORTS GROSS REVENUE" MEANS THE TOTAL OF ALL  
15 SUMS PAID TO A REGISTRANT FROM INTERACTIVE FANTASY SPORTS INVOLVING  
16 AUTHORIZED PARTICIPANTS, LESS ONLY THE TOTAL OF ALL CASH, CASH EQUIV-  
17 ALENTS, AND PROMOTIONAL FANTASY SPORTS CREDITS PAID OUT TO PATRONS.

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

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

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

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

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

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

46 S 1502. REGISTRATION. 1. THE DIVISION SHALL, WITHIN ONE HUNDRED EIGHTY  
47 DAYS OF THE DATE THIS ARTICLE BECOMES LAW, PROMULGATE REGULATIONS TO  
48 IMPLEMENT INTERACTIVE FANTASY SPORTS IN THIS STATE AND SHALL PERMIT  
49 APPLICANTS TO OPERATE INTERACTIVE FANTASY SPORTS INVOLVING AUTHORIZED  
50 PARTICIPANTS, SUBJECT TO THE PROVISIONS OF THIS ARTICLE AND OTHER APPLI-  
51 CABLE PROVISIONS OF LAW.

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

1 INTERACTIVE FANTASY SPORTS LICENSE WAS OFFERING INTERACTIVE FANTASY  
2 SPORTS CONTESTS TO NEW YORK RESIDENTS PRIOR TO NOVEMBER TENTH, TWO THOU-  
3 SAND FIFTEEN, THEY MAY CONTINUE TO OFFER THE SAME CONTESTS TO NEW YORK  
4 RESIDENTS DURING THE PENDENCY OF THEIR APPLICATION FOR REGISTRATION.

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

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

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

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

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

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

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

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

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

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

41 6. ALLOW INDIVIDUALS TO RESTRICT OR PREVENT THEIR OWN ACCESS TO SUCH A  
42 FANTASY SPORTS CONTEST AND TAKE REASONABLE STEPS TO PREVENT THOSE INDI-  
43 VIDUALS FROM ENTERING A FANTASY SPORTS CONTEST.

44 7. DISCLOSE THE NUMBER OF ENTRIES A SINGLE FANTASY SPORTS CONTEST  
45 PLAYER MAY SUBMIT TO EACH SUCH FANTASY SPORTS CONTEST AND TAKE REASON-  
46 ABLE STEPS TO PREVENT PLAYERS FROM SUBMITTING MORE THAN THE ALLOWABLE  
47 NUMBER.

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

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

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

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

4 11. PREVENT PROHIBITED PARTICIPANTS FROM MAINTAINING ACCOUNTS OR  
5 ENTERING SUCH INTERACTIVE FANTASY SPORTS CONTESTS OFFERED BY ANY INTER-  
6 ACTIVE FANTASY SPORTS REGISTRANT.

7 12. MINIMIZE COMPULSIVE PARTICIPATION IN SUCH INTERACTIVE FANTASY  
8 SPORTS CONTESTS AND PROVIDE NOTICE TO PARTICIPANTS OF RESOURCES AVAIL-  
9 ABLE TO HELP COMPULSIVE PARTICIPATION IN FANTASY SPORTS CONTESTS.

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

13 (A) THE FULL NAME OF THE APPLICANT.

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

19 (C) THE NAMES AND ADDRESSES OF THE ULTIMATE EQUITABLE OWNERS FOR A  
20 CORPORATION OR OTHER BUSINESS ENTITY, IF DIFFERENT FROM THOSE PROVIDED  
21 UNDER PARAGRAPH (B), UNLESS THE SECURITIES OF THE CORPORATION OR ENTITY  
22 ARE REGISTERED PURSUANT TO S 12 OF THE SECURITIES EXCHANGE ACT OF 1934,  
23 15 U.S.C. SS 78A-78KK; AND IF SUCH CORPORATION OR ENTITY FILES WITH THE  
24 UNITED STATES SECURITIES AND EXCHANGE COMMISSION THE REPORTS REQUIRED BY  
25 S 13 OF THAT ACT OR IF THE SECURITIES OF THE CORPORATION OR ENTITY ARE  
26 REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET IN THE UNITED  
27 STATES.

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

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

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

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

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

51 (B) THE TERM "CONVICTED" MEANS HAVING BEEN FOUND GUILTY, WITH OR WITH-  
52 OUT ADJUDICATION OF GUILT, AS A RESULT OF A JURY VERDICT, NONJURY TRIAL,  
53 OR ENTRY OF A PLEA OF GUILTY OR NOLO CONTENDERE.

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



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

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

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

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

14 (I) ENFORCE THE PROVISIONS OF ARTICLE FIFTEEN OF THE RACING, PARI-MU-  
15 TUEL WAGERING AND BREEDING LAW;

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

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

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

23 S 3. This act shall take effect immediately; however, if an applicant  
24 for an interactive fantasy sports registration was offering interactive  
25 fantasy sports contests to New York residents prior to November 10,  
26 2015, they may continue to offer the same contests to New York residents  
27 during the pendency of their application.

28 PART EEE

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

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

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

47 (b) amounts to the agricultural and New York state horse breeding  
48 development fund and the New York state thoroughbred breeding and devel-  
49 opment fund to maintain payments from video lottery gaming facilities in  
50 the region AND IN THE CASE OF REGION FIVE ANY SUCH FACILITIES WITHIN  
51 FIFTY MILES OF THE LICENSEE'S FACILITY, to such funds to be maintained  
52 at the same dollar levels realized in two thousand thirteen to be  
53 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

SECTION 1400. LEGISLATIVE FINDINGS AND PURPOSE.

1401. DEFINITIONS.

1402. AUTHORIZATION.

1403. REQUIRED SAFEGUARDS/MINIMUM STANDARDS.

1404. SCOPE OF LICENSING REVIEW.

1405. STATE TAX.

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.

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

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

9 8. "INTERACTIVE GAMING PLATFORM" MEANS THE COMBINATION OF HARDWARE,  
10 SOFTWARE AND DATA NETWORKS USED TO MANAGE, ADMINISTER OR CONTROL WAGERS  
11 ON INTERACTIVE GAMING OR THE GAMES WITH WHICH THOSE WAGERS ARE ASSOCI-  
12 ATED.

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

15 10. "LICENSEE" MEANS A PERSON WHO IS LICENSED BY THE COMMISSION TO  
16 OFFER INTERACTIVE GAMING, USING AN INTERACTIVE GAMING PLATFORM TO  
17 AUTHORIZED PARTICIPANTS. A LICENSEE MAY UTILIZE MULTIPLE INTERACTIVE  
18 GAMING PLATFORMS PROVIDED THAT EACH PLATFORM IS APPROVED BY THE COMMIS-  
19 SION.

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

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

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

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

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

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

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

4 (B) LICENSED BY THE STATE TO OPERATE A CLASS III GAMING FACILITY  
5 PURSUANT TO ARTICLE THIRTEEN OF THIS CHAPTER AND HAS EXPERIENCE IN THE  
6 OPERATION OF INTERACTIVE GAMING BY BEING LICENSED IN A STATE WITH COMPA-  
7 RABLE LICENSING REQUIREMENTS OR GUARANTEES ACQUISITION OF ADEQUATE BUSI-  
8 NESS COMPETENCE AND EXPERIENCE IN THE OPERATION OF INTERACTIVE GAMING.

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

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

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

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

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

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

30 (I) POSE A THREAT TO THE PUBLIC INTEREST OR TO THE EFFECTIVE REGU-  
31 LATION AND CONTROL OF INTERACTIVE GAMING; OR

32 (II) CREATE OR ENHANCE THE DANGERS OF UNSUITABLE, UNFAIR OR ILLEGAL  
33 PRACTICES, METHODS AND ACTIVITIES IN THE CONDUCT OF INTERACTIVE GAMING  
34 OR IN THE CARRYING ON OF THE BUSINESS AND FINANCIAL ARRANGEMENTS INCI-  
35 DENTAL TO SUCH GAMING;

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

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

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

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

51 8. THE COMMISSION SHALL REQUIRE ALL LICENSEES TO PAY A ONE-TIME FEE OF  
52 TEN MILLION DOLLARS. SUCH FEE PAID BY EACH LICENSEE SHALL BE APPLIED TO  
53 SATISFY, IN WHOLE OR IN PART, AS APPLICABLE, THAT LICENSEE'S TAX OBLI-  
54 GATION PURSUANT TO SECTION FOURTEEN HUNDRED FIVE OF THIS ARTICLE IN  
55 THIRTY-SIX EQUAL MONTHLY INSTALLMENTS, ALLOCATED TO EACH OF THE FIRST  
56 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 DETECT, 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

1 OR OF THE INTERACTIVE GAMING PLATFORM. "OWNER" FOR PURPOSES OF THIS  
2 PROVISION MEANS ANY PERSON WHO DIRECTLY OR INDIRECTLY HOLDS ANY BENEFI-  
3 CIAL OR OWNERSHIP INTEREST IN THE APPLICANT OF FIVE PERCENT OR GREATER  
4 OR ANY AMOUNT OF OWNERSHIP THAT THE COMMISSION DETERMINES TO BE SIGNIF-  
5 ICANT OWNERSHIP OF THE LICENSEE, SIGNIFICANT VENDOR, OR APPLICANT.

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

8 (A) AN INSTITUTIONAL INVESTOR HOLDING UNDER TWENTY-FIVE PERCENT OF THE  
9 EQUITY SECURITIES OF A LICENSEE'S OR SIGNIFICANT VENDOR'S (OR APPLI-  
10 CANT'S) HOLDING OR INTERMEDIARY COMPANIES, SHALL BE GRANTED A WAIVER OF  
11 ANY INVESTIGATION OF SUITABILITY OR OTHER REQUIREMENT IF SUCH SECURITIES  
12 ARE THOSE OF A CORPORATION, WHETHER PUBLICLY TRADED OR PRIVATELY HELD,  
13 AND ITS HOLDINGS OF SUCH SECURITIES WERE PURCHASED FOR INVESTMENT  
14 PURPOSES ONLY AND IT FILES A CERTIFIED STATEMENT TO THE EFFECT THAT IT  
15 HAS NO INTENTION OF INFLUENCING OR AFFECTING THE AFFAIRS OF THE ISSUER,  
16 THE LICENSEE (OR SIGNIFICANT VENDOR OR APPLICANT, AS APPLICABLE) OR ITS  
17 HOLDING OR INTERMEDIARY COMPANIES; PROVIDED, HOWEVER, THAT IT SHALL BE  
18 PERMITTED TO VOTE ON MATTERS PUT TO THE VOTE OF THE OUTSTANDING SECURITY  
19 HOLDERS. THE COMMISSION MAY GRANT SUCH A WAIVER TO AN INSTITUTIONAL  
20 INVESTOR HOLDING A HIGHER PERCENTAGE OF SUCH SECURITIES UPON A SHOWING  
21 OF GOOD CAUSE AND IF THE CONDITIONS SPECIFIED ABOVE ARE MET. ANY INSTI-  
22 TUTIONAL INVESTOR GRANTED A WAIVER UNDER THIS PARAGRAPH WHICH SUBSE-  
23 QUENTLY DETERMINES TO INFLUENCE OR AFFECT THE AFFAIRS OF THE ISSUER  
24 SHALL PROVIDE NOT LESS THAN THIRTY DAYS' NOTICE OF SUCH INTENT AND SHALL  
25 FILE WITH THE COMMISSION A REQUEST FOR DETERMINATION OF SUITABILITY  
26 BEFORE TAKING ANY ACTION THAT MAY INFLUENCE OR AFFECT THE AFFAIRS OF THE  
27 ISSUER; PROVIDED, HOWEVER, THAT IT SHALL BE PERMITTED TO VOTE ON MATTERS  
28 PUT TO THE VOTE OF THE OUTSTANDING SECURITY HOLDERS. IF AN INSTITUTIONAL  
29 INVESTOR CHANGES ITS INVESTMENT INTENT, OR IF THE COMMISSION FINDS  
30 REASONABLE CAUSE TO BELIEVE THAT THE INSTITUTIONAL INVESTOR MAY BE FOUND  
31 UNSUITABLE, NO ACTION OTHER THAN DIVESTITURE SHALL BE TAKEN BY SUCH  
32 INVESTOR WITH RESPECT TO ITS SECURITY HOLDINGS UNTIL THERE HAS BEEN  
33 COMPLIANCE WITH ANY REQUIREMENTS ESTABLISHED BY THE COMMISSION, WHICH  
34 MAY INCLUDE THE EXECUTION OF A TRUST AGREEMENT. THE LICENSEE (OR SIGNIF-  
35 ICANT VENDOR OR APPLICANT, AS APPLICABLE) AND ITS RELEVANT HOLDING,  
36 INTERMEDIARY OR SUBSIDIARY COMPANY SHALL NOTIFY THE COMMISSION IMME-  
37 DIATELY OF ANY INFORMATION ABOUT, OR ACTIONS OF, AN INSTITUTIONAL INVE-  
38 STOR HOLDING ITS EQUITY SECURITIES WHERE SUCH INFORMATION OR ACTION MAY  
39 IMPACT UPON THE ELIGIBILITY OF SUCH INSTITUTIONAL INVESTOR FOR A WAIVER  
40 PURSUANT TO THIS PARAGRAPH.

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

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

1 SIVE BENEFIT OF FEDERAL, STATE, OR LOCAL PUBLIC EMPLOYEES; INVESTMENT  
2 COMPANY REGISTERED UNDER THE INVESTMENT COMPANY ACT OF 1940 (15 U.S.C. S  
3 80A-1 ET SEQ.); COLLECTIVE INVESTMENT TRUST ORGANIZED BY BANKS UNDER  
4 PART NINE OF THE RULES OF THE COMPTROLLER OF THE CURRENCY; CLOSED END  
5 INVESTMENT TRUST; CHARTERED OR LICENSED LIFE INSURANCE COMPANY OR PROP-  
6 ERTY AND CASUALTY INSURANCE COMPANY; BANKING AND OTHER CHARTERED OR  
7 LICENSED LENDING INSTITUTION; INVESTMENT ADVISOR REGISTERED UNDER THE  
8 INVESTMENT ADVISORS ACT OF 1940 (15 U.S.C. S 80B-1 ET SEQ.); AND SUCH  
9 OTHER PERSONS AS THE COMMISSION MAY DETERMINE FOR REASONS CONSISTENT  
10 WITH THE PUBLIC INTEREST.

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

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

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

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

23 S 225.36 INTERACTIVE GAMING OFFENSES AND EXCEPTIONS.

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

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

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

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

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

46 PART GGG

47 Section 1. a. Notwithstanding any other provision of law or regulation  
48 to the contrary, up to five hundred thousand dollars of the funds in a  
49 capital acquisition fund, established pursuant to section 509-a of the  
50 racing, pari-mutuel wagering and breeding law shall be available once  
51 per annum to a regional off-track betting corporation for any corporate  
52 purpose; provided, however, that such regional off-track betting corpo-  
53 ration is not utilizing its capital acquisition fund for corporate  
54 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 foregoing, 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.

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

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

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

11 S 2. Severability clause. If any clause, sentence, paragraph, subdivi-  
12 sion, section or part of this act shall be adjudged by any court of  
13 competent jurisdiction to be invalid, such judgment shall not affect,  
14 impair, or invalidate the remainder thereof, but shall be confined in  
15 its operation to the clause, sentence, paragraph, subdivision, section  
16 or part thereof directly involved in the controversy in which such judg-  
17 ment shall have been rendered. It is hereby declared to be the intent of  
18 the legislature that this act would have been enacted even if such  
19 invalid provisions had not been included herein.

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