STATE OF NEW YORK

302

2021-2022 Regular Sessions

IN SENATE

(Prefiled)

January 6, 2021

Introduced by Sen. THOMAS -- read twice and ordered printed, and when printed to be committed to the Committee on Budget and Revenue

AN ACT to amend the tax law and the state finance law, in relation to sales tax on digital advertising; to amend the education law, in relation to zero interest undergraduate loan refinancing; and providing for the repeal of such provisions upon the expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision (c) of section 1105 of the tax law is amended by adding a new paragraph 1-a to read as follows:

(1-a) Notwithstanding the provisions of paragraph one of this subdivision, the receipts from every sale, except for resale, of digital advertising services. For purposes of this paragraph:

(i) "Digital advertising services" means advertisement services on a digital interface, including advertisements in the form of banner advertising, search engine advertising, interstitial advertising, and other comparable advertising services which markets or promotes a particular good, service, or political candidate or message.

(ii) "Digital interface" means any type of software, including a website, part of a website, or application, that a user is able to access.

(iii) "User" means an individual or any other person who accesses a digital interface with a device.

All revenue received from the imposition of this tax shall be deposited into the digital advertising services tax revenue fund established pursuant to section seventy-eight-c of the state finance law.

§ 2. The state finance law is amended by adding a new section 78-c to read as follows:

§ 78-c. Digital advertising services tax revenue fund. 1. There is hereby created and established in the sole custody of the state comp-

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

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troller a special fund to be known as the digital advertising services tax revenue fund which shall be for the exclusive benefit of providing zero interest refinancing of eligible education loans by the higher education services corporation under section six hundred eighty-three-c of the education law.

2. Amounts held in this fund shall not be, or be deemed, funds of the state or funds under the management of the state or the higher education services corporation. The obligations of the fund shall not be, or be deemed, the debts or obligations of the state and the state shall not be, or be deemed, in any way obligated to any holder of any such education loan.

3. Such fund shall consist of all moneys received by the department of taxation and finance pursuant to paragraph one-a of subdivision (c) of section eleven hundred five of the tax law. Moneys in the fund shall be segregated from all other funds kept by the state comptroller and shall not be used for any other purpose beyond those set forth in section six hundred eighty-three-c of the education law or in this section.

4. The state comptroller shall make payments from the fund in amounts and at times required by the higher education services corporation pursuant section six hundred eighty-three-c of the education law.

§ 3. The education law is amended by adding a new section 683-c to read as follows:

§ 683-c. Refinance of undergraduate student loans. 1. An eligible borrower, as defined in this section, may apply to have their federal and private undergraduate education loans refinanced by the corporation. The maximum amount allowed to be refinanced under this section shall be one hundred thousand dollars. The minimum amount to be refinanced shall be three thousand dollars.

2. An eligible borrower shall include an individual who: (a) has been a New York state resident for at least twenty-four consecutive months prior to application for refinancing; (b) owes less than one hundred thousand dollars in federal and private undergraduate education loans; and (c) is current on their loan payments.

3. Beginning January first, two thousand twenty-three, the corporation shall offer zero percent interest rate refinancing based on availability of funds in the digital advertising services tax revenue fund established in section seventy-eight-c of the state finance law.

4. (a) A borrower may be granted deferment or forbearance up to two times during the repayment period upon a showing of economic hardship.

(b) The corporation shall establish terms for repayment of loans on the basis of the income of the borrower. There shall be no penalty for prepayment.

(c) Loans refinanced under this section shall be eligible for loan forgiveness programs available to public service employees.

5. Rules and regulations. The corporation is authorized to promulgate rules and regulations necessary for the implementation of the provisions of this section.

§ 4. This act shall take effect on the thirtieth day after it shall have become a law and shall apply to sales made and uses occurring on and after such date although made, occurring or rendered under a prior contract; provided that this act shall expire and be deemed repealed 5 years after such effective date.