

# STATE OF NEW YORK

859

2023-2024 Regular Sessions

## IN SENATE

January 6, 2023

Introduced by Sen. RYAN -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the education law and the tax law, in relation to the amount of lottery winnings and prizes which are excluded from of a school district's adjusted gross income

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

1 Section 1. Paragraph h of subdivision 1 of section 3602 of the educa-  
2 tion law, as amended by a chapter of the laws of 2022 amending the  
3 education law relating to excluding certain lottery winnings from a  
4 school district's adjusted gross income, as proposed in legislative  
5 bills numbers S. 8701 and A. 9878, is amended to read as follows:

6 h. "Adjusted gross income" shall mean the adjusted gross income of a  
7 school district for the calendar year three years prior to the calendar  
8 year in which the current year commences. The income data shall be  
9 computed in accordance with regulations adopted by the commissioner of  
10 taxation and finance based upon personal income tax returns for the  
11 calendar year three years prior to the calendar year in which the  
12 current school year commences, as reported to the commissioner by  
13 September of the base year, including the results of the permanent  
14 computerized statewide school district address match and income verifi-  
15 cation system. [~~Any~~] Commencing with calendar year two thousand twenty-  
16 two, New York state lottery and video lottery [~~winnings~~] gaming individ-  
17 ual prizes in excess of one million dollars that when aggregated exceeds  
18 twenty-five percent of a district's adjusted gross income shall be  
19 excluded from such district's adjusted gross income for the year. The  
20 commissioner of taxation and finance shall determine the amount of this  
21 exclusion based on the annual report of New York state lottery and video  
22 lottery gaming individual prizes in excess of one million dollars  
23 produced by the gaming commission pursuant to paragraph three of subdi-  
24 vision c of section sixteen hundred four of the tax law. The adjusted

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

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1 gross income of the city school district of the city of New York shall  
2 be the sum of the adjusted gross income of the boroughs of the city. The  
3 adjusted gross income of a central high school district shall equal the  
4 sum of the adjusted gross income of each of its component school  
5 districts. "Selected adjusted gross income" shall mean the lesser of  
6 adjusted gross income calculated for aid payable in the current year or  
7 the two-year average of the adjusted gross income calculated for aid  
8 payable in the current year and the adjusted gross income calculated for  
9 aid payable in the base year.

10 § 2. Subparagraph 2 of paragraph a of subdivision 16 of section 3602  
11 of the education law, as amended by a chapter of the laws of 2022 amend-  
12 ing the education law relating to excluding certain lottery winnings  
13 from a school district's adjusted gross income, as proposed in legisla-  
14 tive bills numbers S. 8701 and A. 9878, is amended to read as follows:

15 (2) "Adjusted gross income" shall mean the adjusted gross income of a  
16 school district as used in computation of the district's alternate pupil  
17 wealth ratio pursuant to paragraph b of subdivision three of this  
18 section, provided, however, that for the computation of apportionments  
19 pursuant to this subdivision, the adjusted gross income of a central  
20 high school district shall not equal the sum of the adjusted gross  
21 income of each of its component school districts; and provided, further,  
22 that ~~[any]~~ commencing in calendar year two thousand twenty-two, New York  
23 state lottery [winnings] and video lottery gaming individual prizes in  
24 excess of one million dollars that when aggregated exceeds twenty-five  
25 percent of a district's adjusted gross income shall be excluded from a  
26 district's adjusted gross income for the year. The commissioner of tax-  
27 ation and finance shall determine the amount of this exclusion based on  
28 the annual report of New York state lottery and video lottery gaming  
29 individual prizes in excess of one million dollars produced by the  
30 gaming commission pursuant to paragraph three of subdivision c of  
31 section sixteen hundred four of the tax law.

32 § 3. Subdivision c of section 1604 of the tax law, as added by chapter  
33 92 of the laws of 1976, is amended to read as follows:

34 c. (1) The ~~[division]~~ commission shall make regular reports to the  
35 commissioner, which reports shall include a full and complete statement  
36 of lottery revenues, prize disbursements and other expenses, and any  
37 other information the commissioner may require. (2) The ~~[commissioner]~~  
38 commission shall make an annual report to the governor and the legisla-  
39 ture, which shall include a summary of lottery revenues, prize disburse-  
40 ments and other expenses for the year preceding such report. (3) The  
41 commission shall, by January thirty-first of each year, provide the  
42 commissioner with a list of the lottery prize amounts, names and social  
43 security numbers of the winners of New York state lottery and video  
44 lottery gaming individual prizes in excess of one million dollars in the  
45 previous calendar year.

46 § 4. This act shall take effect on the same date and in the same  
47 manner as a chapter of the laws of 2022 relating to excluding certain  
48 lottery winnings from a school district's adjusted gross income, as  
49 proposed in legislative bills numbers S. 8701 and A. 9878, takes effect.