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

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2009-2010 Regular Sessions

I N A S S E M B L Y

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Introduced by M. of A. MORELLE, ORTIZ, DelMONTE, ESPAILLAT, EDDINGTON, HOYT, SCARBOROUGH, GREENE, V. LOPEZ, CYMBROWITZ, MILLMAN -- Multi-Sponsored by -- M. of A. ABBATE, AUBRY, BENJAMIN, CAHILL, CLARK, COLTON, COOK, DESTITO, DIAZ, ROBINSON, SWEENEY, TOWNS, WRIGHT -- read once and referred to the Committee on Economic Development, Job Creation, Commerce and Industry

AN ACT to amend the economic development law, the real property tax law and the tax law, in relation to authorizing the creation of academic collaborative districts within the state

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. The economic development law is amended by adding a new article 17 to read as follows:

ARTICLE 17

NEW YORK STATE ACADEMIC COLLABORATIVE DISTRICTS ACT

SECTION 350. SHORT TITLE.
351. LEGISLATIVE FINDINGS AND INTENT.
352. DEFINITIONS.
353. CRITERIA FOR ACADEMIC COLLABORATIVE DISTRICT DESIGNATION.
354. RESPONSIBILITIES OF THE COMMISSIONER.
355. RESCINDING OF LOCAL INCENTIVES.
356. DESIGNATION OF ACADEMIC COLLABORATIVE DISTRICTS.
357. APPLICATION FOR ACADEMIC COLLABORATIVE DISTRICT DESIGNATION.
358. ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT PLAN.
359. TERMINATION OR REVISION OF AN ACADEMIC COLLABORATIVE DISTRICT.

S 350. SHORT TITLE. THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE "NEW YORK STATE ACADEMIC COLLABORATIVE DISTRICTS ACT".

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

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S 351. LEGISLATIVE FINDINGS AND INTENT. THE LEGISLATURE FINDS AND DECLARES THAT HIGHER EDUCATION INSTITUTIONS IN NEW YORK STATE ARE AMONG THE FASTEST GROWING SECTORS OF THE STATE'S ECONOMY. IT IS FURTHER FOUND AND DECLARED THAT THESE INSTITUTIONS ATTRACT A SUBSTANTIAL AMOUNT OF FEDERAL RESEARCH AND DEVELOPMENT FUNDS THAT COME INTO NEW YORK STATE, AND THAT THESE INSTITUTIONS ARE HOME TO WORLD-CLASS RESEARCHERS AND RESEARCH FACILITIES. FINALLY, IT IS FOUND AND DECLARED THAT COLLABORATION BETWEEN HIGHER EDUCATION INSTITUTIONS AND BUSINESSES WILL STIMULATE PRIVATE INVESTMENT, PRIVATE BUSINESS DEVELOPMENT AND JOB CREATION. IT IS THE PUBLIC POLICY OF THE STATE TO OFFER SPECIAL INCENTIVES AND ASSISTANCE THAT WILL SUPPORT THESE COLLABORATIONS WITH THE GOAL OF DEVELOPMENT OF NEW BUSINESSES, EXPANSION OF EXISTING BUSINESSES, AND THE DEVELOPMENT OF HUMAN RESOURCES WITHIN AND NEAR EXISTING EMPIRE ZONES AND TO DO SO WITHOUT ENCOURAGING THE RELOCATION OF BUSINESS INVESTMENT FROM OTHER AREAS OF THE STATE. IT IS FURTHER FOUND AND DECLARED THAT IT IS PUBLIC POLICY OF THE STATE TO ACHIEVE THESE GOALS THROUGH THE MUTUAL COOPERATION OF ALL LEVELS OF STATE AND LOCAL GOVERNMENT AND THE BUSINESS COMMUNITY.

S 352. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE FOLLOWING MEANINGS UNLESS THE CONTEXT SHALL INDICATE ANOTHER OR DIFFERENT MEANING OR INTENT:

(A) "APPLICANT" SHALL MEAN THE COUNTY, CITY, TOWN OR VILLAGE SUBMITTING AN APPLICATION IN THE MANNER AUTHORIZED BY LOCAL LAW FOR DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT.

(B) "COLLEGE" SHALL MEAN UNIVERSITIES AND OTHER INSTITUTIONS FOR HIGHER EDUCATION, AS SUCH TERM IS DEFINED IN SECTION TWO OF THE EDUCATION LAW, AUTHORIZED TO CONFER DEGREES BY THE BOARD OF REGENTS OF THE STATE OF NEW YORK.

(C) "MINORITY-OWNED BUSINESS ENTERPRISE" SHALL MEAN A BUSINESS ENTERPRISE, INCLUDING A SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION, THAT IS:

(I) AT LEAST FIFTY-ONE PERCENT OWNED BY ONE OR MORE MINORITY GROUP MEMBERS;

(II) AN ENTERPRISE IN WHICH SUCH MINORITY OWNERSHIP IS REAL, SUBSTANTIAL AND CONTINUING;

(III) AN ENTERPRISE IN WHICH SUCH MINORITY OWNERSHIP HAS AND EXERCISES THE AUTHORITY TO CONTROL INDEPENDENTLY THE DAY-TO-DAY BUSINESS DECISIONS OF THE ENTERPRISE; AND

(IV) AN ENTERPRISE AUTHORIZED TO DO BUSINESS IN THIS STATE AND INDEPENDENTLY OWNED AND OPERATED.

(D) "ACADEMIC COLLABORATIVE DISTRICT" SHALL MEAN AN AREA WITHIN THE STATE THAT HAS BEEN DESIGNATED AS AN ACADEMIC COLLABORATIVE DISTRICT PURSUANT TO THIS ARTICLE.

(E) "WOMEN-OWNED BUSINESS ENTERPRISE" SHALL MEAN A BUSINESS ENTERPRISE, INCLUDING A SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION, THAT IS:

(I) AT LEAST FIFTY-ONE PERCENT OWNED BY ONE OR MORE UNITED STATES CITIZENS OR PERMANENT RESIDENT ALIENS WHO ARE WOMEN;

(II) AN ENTERPRISE IN WHICH THE OWNERSHIP INTEREST OF SUCH WOMEN IS REAL, SUBSTANTIAL AND CONTINUING;

(III) AN ENTERPRISE IN WHICH SUCH WOMEN OWNERSHIP HAS AND EXERCISES THE AUTHORITY TO CONTROL INDEPENDENTLY THE DAY-TO-DAY BUSINESS DECISIONS OF THE ENTERPRISE; AND

(IV) AN ENTERPRISE AUTHORIZED TO DO BUSINESS IN THIS STATE AND INDEPENDENTLY OWNED AND OPERATED.

(F) "LOCALLY OWNED BUSINESS ENTERPRISE" SHALL MEAN A BUSINESS FIRM IN WHICH THE TOTAL OWNERSHIP INTEREST HELD BY INDIVIDUALS WHO ARE FULL TIME BONA FIDE RESIDENTS OF SUCH DISTRICT IS MORE THAN EIGHTY PERCENT, WHOSE BUSINESS ACTIVITIES ARE CONDUCTED IN A MANNER WHEREBY AT LEAST FIFTY PERCENT OF THE ASSETS OF SUCH FIRM ARE LOCATED AND UTILIZED IN SUCH DISTRICT, AND AT LEAST FORTY PERCENT OF SUCH FIRM'S EMPLOYEES ARE PRINCIPALLY EMPLOYED IN SUCH DISTRICT; PROVIDED HOWEVER, FOR BUSINESS FIRMS LOCATED WITHIN DISTRICTS DESIGNATED IN A CITY SUCH INDIVIDUALS SHALL RESIDE WITHIN A COMMUNITY PLANNING BOARD OR WITHIN TRADITIONAL NEIGHBORHOOD BOUNDARIES AND PROVIDED FURTHER HOWEVER FOR BUSINESS FIRMS LOCATED WITHIN DISTRICTS OUTSIDE OF A CITY SUCH INDIVIDUALS MAY RESIDE IN THE COUNTY IN WHICH THE DISTRICT IS DESIGNATED.

(G) "CHIEF EXECUTIVE" SHALL MEAN (I) A COUNTY EXECUTIVE OR MANAGER OF A COUNTY; (II) IN A COUNTY NOT HAVING A COUNTY EXECUTIVE OR MANAGER, THE CHAIRPERSON OR OTHER PRESIDING OFFICER OF THE COUNTY LEGISLATIVE BODY; (III) A MAYOR OF A CITY OR VILLAGE, EXCEPT WHERE A CITY OR VILLAGE HAS A MANAGER, IT SHALL MEAN SUCH A MANAGER; OR (IV) A SUPERVISOR OF A TOWN, EXCEPT WHERE A TOWN HAS A MANAGER, IT SHALL MEAN SUCH MANAGER.

(H) "MINORITY GROUP MEMBER" SHALL MEAN A UNITED STATES CITIZEN OR PERMANENT RESIDENT ALIEN WHO IS AND CAN DEMONSTRATE MEMBERSHIP IN ONE OF THE FOLLOWING GROUPS:

(I) BLACK PERSONS HAVING ORIGINS IN ANY OF THE BLACK AFRICAN RACIAL GROUPS;

(II) HISPANIC PERSONS OF MEXICAN, PUERTO RICAN, DOMINICAN, CUBAN, CENTRAL OR SOUTH AMERICAN OF EITHER INDIAN OR HISPANIC ORIGIN, REGARDLESS OF RACE;

(III) NATIVE AMERICAN OR ALASKAN NATIVE PERSONS HAVING ORIGINS IN ANY OF THE ORIGINAL PEOPLES OF NORTH AMERICA; AND

(IV) ASIAN AND PACIFIC ISLANDER PERSONS HAVING ORIGINS IN ANY OF THE FAR EAST COUNTRIES, SOUTH EAST ASIA, THE INDIAN SUBCONTINENT OR THE PACIFIC ISLANDS.

(I) "COMMISSIONER" SHALL MEAN THE COMMISSIONER OF ECONOMIC DEVELOPMENT.

(J) "SINGLE ENTERPRISE" MEANS TWO OR MORE RELATED BUSINESS ENTERPRISES CHARACTERIZED BY AN ABSENCE OF ARMS LENGTH RELATIONSHIPS FOUND AMONG ENTERPRISES THAT ARE NOT INTEGRATED. FACTORS TO BE CONSIDERED, AMONG OTHER THINGS, IN DETERMINING THE EXISTENCE OF A SINGLE ENTERPRISE ARE INTERRELATION OF OPERATIONS, COMMON MANAGEMENT, CENTRALIZED CONTROL OF LABOR RELATIONS, COMMON OWNERSHIP AND COMMON FINANCIAL CONTROL.

(K) "HUMAN RESOURCE DEVELOPMENT" SHALL MEAN JOB PREPARATION AND PLACEMENT, SKILLS TRAINING AND EDUCATION FOR DISTRICT RESIDENTS AND EMPLOYEES OF DISTRICT BUSINESSES, CHILD AND FAMILY CARE SERVICES AND FACILITIES, AND ACTIVITIES TO IMPROVE THE HEALTH BENEFITS AND OTHER BENEFITS PROVIDED BY DISTRICT BUSINESSES TO THEIR EMPLOYEES.

S 353. CRITERIA FOR ACADEMIC COLLABORATIVE DISTRICT DESIGNATION. TO BE ELIGIBLE FOR DESIGNATION AS AN ACADEMIC COLLABORATIVE DISTRICT, AN AREA MUST BE ON AN EXISTING COLLEGE OWNED PROPERTY AND THE BOUNDARIES OF SUCH PROPERTY SHALL BE CO-TERMINUS WITH THE PROPERTY OF THE COLLEGE.

S 354. RESPONSIBILITIES OF THE COMMISSIONER. THE COMMISSIONER SHALL:

(A) RECEIVE AND REVIEW APPLICATIONS FOR DESIGNATION OF AREAS AS ACADEMIC COLLABORATIVE DISTRICTS;

(B) MAKE RECOMMENDATIONS TO THE ACADEMIC COLLABORATIVE DISTRICTS DESIGNATION BOARD, AS ESTABLISHED IN SECTION THREE HUNDRED FIFTY-SIX OF THIS ARTICLE, FOR DESIGNATION OF AREAS AS ACADEMIC COLLABORATIVE DISTRICTS, PROVIDED, HOWEVER, THAT ALL SUCH AREAS RECOMMENDED BY THE COMMISSIONER SHALL MEET THE REQUIREMENTS OF THIS ARTICLE;

(C) REVIEW NEW APPLICATIONS TO REPLACE ANY PREVIOUSLY DESIGNATED ACADEMIC COLLABORATIVE DISTRICT THE DESIGNATION OF WHICH HAS BEEN TERMINATED OR WITHDRAWN;

(D) FILE NOTICE OF THE DESIGNATION OR REDESIGNATION OF AN ACADEMIC COLLABORATIVE DISTRICT OR OF THE REVISION OR TERMINATION OF SUCH DESIGNATION WITH THE APPLICANT, THE DEPARTMENT OF TAXATION AND FINANCE, THE SECRETARY OF STATE, WITH THE COUNTY, CITY, TOWN OR VILLAGE CLERK OF EACH COUNTY, CITY, TOWN, OR VILLAGE, RESPECTIVELY, IN WHICH THE ACADEMIC COLLABORATIVE DISTRICT IS LOCATED, WITH THE SCHOOL DISTRICT GOVERNING BODY IN WHICH THE ACADEMIC COLLABORATIVE DISTRICT IS LOCATED, WITH THE STATE BOARD OF REAL PROPERTY SERVICES AND WITH OTHER STATE AND LOCAL ENTITIES; PROVIDED, HOWEVER, THAT SUCH NOTICE SHALL SPECIFY THE DATE SUCH ACTION WAS TAKEN AND SHALL CONTAIN A DESCRIPTION SUFFICIENT TO IDENTIFY THE ACADEMIC COLLABORATIVE DISTRICT, INCLUDING THE NAMES OF THE ABUTTING STREETS, ROADS, HIGHWAYS, BODIES OF WATER, OR OTHER IDENTIFYING PHYSICAL FEATURES;

(E) ESTABLISH A PRIORITY FOR THE ALLOCATION OF AUTHORITY TO ISSUE PRIVATE ACTIVITY BONDS FOR THE BENEFIT OF MUNICIPALITIES AND BUSINESS ENTERPRISES LOCATED OR TO BE LOCATED WITHIN ACADEMIC COLLABORATIVE DISTRICTS;

(F) COORDINATE WITH THE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE A LINKED DEPOSIT PROGRAM. THE COMPTROLLER AND THE COMMISSIONER OF TAXATION AND FINANCE ARE HEREBY AUTHORIZED AND EMPOWERED TO ENTER INTO AGREEMENTS WITH FINANCIAL INSTITUTIONS LOCATED IN OR SERVING THE ACADEMIC COLLABORATIVE DISTRICTS, TO PROVIDE FOR THE DEPOSIT OF FUNDS ADMINISTERED JOINTLY BY THEM IN SUCH INSTITUTIONS, AT REDUCED RATES OF RETURN TO THE STATE, IN RETURN FOR COMMITMENTS BY SUCH INSTITUTIONS TO BUSINESSES OF LOANS OF COMPARABLE AMOUNTS, AT REDUCED INTEREST RATES, FOR BUSINESS DEVELOPMENT PROJECTS IN THE DISTRICTS THAT WILL CREATE OR PRESERVE JOBS.

(G) REVIEW A PLAN SUBMITTED NO LATER THAN DECEMBER THIRTY-FIRST, TWO THOUSAND ELEVEN, BY THE URBAN DEVELOPMENT CORPORATION AND THE JOB DEVELOPMENT AUTHORITY, FOR EXTENDING TO MINORITY- OR WOMEN-OWNED CONTRACTING COMPANIES WHICH ARE ENDEAVORING TO SECURE WORK ON PROJECTS IN THE DISTRICTS, SURETY GUARANTEES ASSISTANCE AND SUCH OTHER ASSISTANCE AS MAY BE REQUIRED BY SUCH FIRMS WHICH CURRENTLY IS UNAVAILABLE FROM OTHER SOURCES.

(H) PROMULGATE REGULATIONS, IN CONSULTATION WITH THE COMMISSIONER OF LABOR, FOR PROGRAM EVALUATION AND COORDINATE IMPLEMENTATION OF AN EVALUATION SYSTEM, WHICH IS CAPABLE OF COMPILING AND ANALYZING ACCURATE AND CONSISTENT INFORMATION NECESSARY FOR AN ASSESSMENT OF WHETHER STATUTORY OBJECTIVES AND CRITERIA ARE BEING MET;

(I) REVIEW PERFORMANCE OBJECTIVES AND PROGRESS IN MEETING OBJECTIVES WITH DISTRICT BOARDS AND DISTRICT ADMINISTRATIVE ENTITIES AS PART OF THE ANNUAL ADMINISTRATIVE CONTRACT PROCESS;

(J) ASSIST DISTRICTS IN INCREASING THEIR CHILD CARE CAPACITY AND IN PLANNING SPECIAL CARE ACTIVITIES, INCLUDING THE PROVISION OF TECHNICAL ASSISTANCE BY THE DEPARTMENT IN PLANNING FOR THE PROVISION OF CHILD CARE SERVICES IN THE DISTRICTS;

(K) COORDINATE WITH THE DEPARTMENT OF LABOR, THE STATE EDUCATION DEPARTMENT, THE JOB TRAINING PARTNERSHIP COUNCIL AND AGENCIES OF THE STATE THE INCLUSION IN ANNUAL AND BIENNIAL PLANS OF SUCH ENTITIES' STRATEGIES FOR INCREASING AND IMPROVING HUMAN RESOURCE DEVELOPMENT SERVICES ON A PRIORITY BASIS, CONSISTENT WITH FEDERAL STATUTORY AND REGULATORY REQUIREMENTS, TO RESIDENTS OF THE DISTRICTS AND EMPLOYEES OF DISTRICT BUSINESSES, INCLUDING, BUT NOT LIMITED TO, THE GOVERNOR'S PLAN FOR COOR-

DINATION AND SPECIAL SERVICES OF THE JOB TRAINING PARTNERSHIP COUNCIL, THE JOBS PLAN AND WAGNER-PEYSER ANNUAL PLAN FOR SERVICES OF THE DEPARTMENT OF LABOR, AND THE CAREER EDUCATION STATE PLAN OF THE STATE EDUCATION DEPARTMENT;

(L) ARRANGE WITH THE JOB TRAINING PARTNERSHIP COUNCIL THE PROVISION OF JOB TRAINING PARTNERSHIP ACT FUNDS FOR USE WITHIN THE DISTRICTS WITH THE COOPERATION OF THE SERVICE DELIVERY AREAS IN THE GOVERNOR'S PLAN FOR COORDINATION AND SPECIAL SERVICES;

(M) SUBJECT TO THE AVAILABILITY OF FUNDS, ARRANGE FOR THE ALLOCATION AND RESERVATION OF FUNDS FROM THE INFRASTRUCTURE IMPROVEMENT PROGRAMS OF STATE AGENCIES AND AUTHORITIES TO ASSIST THE DISTRICTS TO MAKE PUBLIC IMPROVEMENTS NECESSARY FOR COMMUNITY, COMMERCIAL, INDUSTRIAL AND TOURISM DEVELOPMENT PROJECTS IN SUPPORT OF DISTRICT REVITALIZATION;

(N) SYSTEMATICALLY ENLIST OTHER STATE AGENCIES AND AUTHORITIES TO PARTICIPATE IN DISTRICT PROGRAMS AND PROJECTS AND IN COOPERATIVE PLANNING OF INTERAGENCY DISTRICT ACTIVITIES IN SUPPORT OF DISTRICT REVITALIZATION EFFORTS;

(O) RECOMMEND FOR ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAMS OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT, URBAN DEVELOPMENT CORPORATION, JOB DEVELOPMENT AUTHORITY, AND SCIENCE AND TECHNOLOGY FOUNDATION SPECIAL TERMS AND CONDITIONS FOR VIABLE DISTRICT PROJECTS AND PROGRAMS;

(P) AWARD PREFERENCE TO BE GIVEN TO APPLICATIONS SUBMITTED BY OR ON BEHALF OF DISTRICTS FOR ENTREPRENEURIAL ASSISTANCE PROGRAMS UNDER ARTICLE NINE OF THE OMNIBUS ECONOMIC DEVELOPMENT ACT OF NINETEEN HUNDRED EIGHTY-SEVEN TO SUPPORT THE CREATION OF NEW ENTREPRENEURIAL DEVELOPMENT AND ENTREPRENEURIAL SUPPORT CENTERS;

(Q) REVIEW A PROGRAM PLAN AND GUIDELINES SUBMITTED BY THE DIVISION OF MINORITY AND WOMEN'S BUSINESS DEVELOPMENT OF THE DEPARTMENT OF ECONOMIC DEVELOPMENT NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND ELEVEN FOR EXPEDITED REVIEW OF APPLICATIONS BY DISTRICT BUSINESSES FOR CERTIFICATION AS MINORITY- OR WOMEN-OWNED BUSINESSES;

(R) REVIEW A PROGRAM PLAN AND GUIDELINES SUBMITTED NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND ELEVEN BY THE JOB DEVELOPMENT AUTHORITY FOR EXTENDING TO SMALL BUSINESSES WITHIN THE DISTRICTS, SUBJECT TO FUNDS AVAILABILITY, GUARANTEES OF PERFORMANCE BONDS OR BID BONDS FOR CONSTRUCTION, SERVICE AND MANUFACTURING CONTRACTS WITH FEDERAL, STATE AND LOCAL GOVERNMENT AGENCIES AND AUTHORITIES, AS WELL AS THE PRIVATE SECTOR;

(S) REVIEW A PROGRAM PLAN SUBMITTED BY THE DEPARTMENT OF LABOR NO LATER THAN MARCH THIRTY-FIRST, TWO THOUSAND ELEVEN FOR THE ESTABLISHMENT BY THE DEPARTMENT OF A COMMUNITY SERVICE CENTER, TO THE EXTENT PRACTICABLE, IN OR IMMEDIATELY ADJACENT TO EACH DISTRICT;

(T) COORDINATE WITH THE URBAN DEVELOPMENT CORPORATION THE CREATION OF A SPECIAL CATEGORY OF ASSISTANCE FOR DISTRICTS WITHIN THE REGIONAL ECONOMIC DEVELOPMENT PARTNERSHIP PROGRAM, WHICH WILL MAKE AVAILABLE ECONOMIC DEVELOPMENT ASSISTANCE GRANTS FOR DISTRICT PROGRAMS AND ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, PLANNING, SERVICE COORDINATION, AND LOCAL INSTITUTIONAL CAPACITY BUILDING FOR HUMAN RESOURCE DEVELOPMENT NECESSARY FOR ECONOMIC REVITALIZATION; PLANNING AND DEVELOPMENT OF SMALL BUSINESS INCUBATORS; JOB PLACEMENT AND PREPAREDNESS PROGRAMS FOR DISTRICTS RESIDENTS; EDUCATION AND TRAINING PROGRAMS FOR DISTRICT BUSINESSES; CHILD CARE PROGRAMS AND PROJECTS SUPPORTIVE OF BUSINESS DEVELOPMENT; TECHNICAL ASSISTANCE FOR MINORITY-OWNED AND WOMEN-OWNED BUSINESS DEVELOPMENT; TRAINING FOR DISTRICT OFFICIALS; BUSINESS AND TOURISM DEVELOPMENT AND MARKETING PROGRAMS; AND OTHER INNOVATIVE PROGRAMS AND

ACTIVITIES IN SUPPORT OF ECONOMIC AND COMMUNITY DEVELOPMENT WITHIN THE DISTRICTS; AND

(U) ASSIST IN THE DEVELOPMENT OF A PLAN, IN COORDINATION WITH THE HEALTH AND INSURANCE DEPARTMENTS, TO ASSIST DISTRICTS IN OBTAINING AFFORDABLE EMPLOYEE HEALTH INSURANCE FOR SMALL BUSINESS ENTERPRISES LOCATED WITHIN THE DISTRICT.

S 355. RESCINDING OF LOCAL INCENTIVES. SHOULD A CERTIFIED BUSINESS ENTERPRISE IN AN ACADEMIC COLLABORATIVE DISTRICT BE DECERTIFIED, ANY LOCAL INCENTIVE PROVIDED BY SUCH MUNICIPALITY MAY BE RESCINDED BY LOCAL LAW OR RESOLUTION BY THE GOVERNING BODY OF SUCH MUNICIPALITY, NOTWITHSTANDING SUBDIVISION FIVE OF SECTION FOUR HUNDRED EIGHTY-FIVE-L OF THE REAL PROPERTY TAX LAW.

S 356. DESIGNATION OF ACADEMIC COLLABORATIVE DISTRICTS. (A) THE ACADEMIC COLLABORATIVE DISTRICTS DESIGNATION BOARD IS HEREBY CREATED. SUCH BOARD SHALL CONSIST OF THE COMMISSIONER OF TAXATION AND FINANCE, THE DIRECTOR OF THE BUDGET, FIVE MEMBERS TO BE APPOINTED BY THE GOVERNOR (ONE OF WHOM MUST BE THE PRESIDENT OR CHIEF EXECUTIVE OFFICER OF A NON-PUBLIC COLLEGE OR UNIVERSITY IN NEW YORK STATE); THREE MEMBERS TO BE APPOINTED BY THE TEMPORARY PRESIDENT OF THE SENATE; THREE MEMBERS TO BE APPOINTED BY THE SPEAKER OF THE ASSEMBLY; ONE MEMBER TO BE APPOINTED BY THE MINORITY LEADER OF THE SENATE AND ONE MEMBER TO BE APPOINTED BY THE MINORITY LEADER OF THE ASSEMBLY. THE GOVERNOR SHALL DESIGNATE FROM AMONG THE VOTING MEMBERS THE CHAIRMAN OF THE BOARD.

(B) THE ACADEMIC COLLABORATIVE DISTRICTS DESIGNATION BOARD SHALL DESIGNATE FROM THE RECOMMENDATIONS MADE BY THE COMMISSIONER WITHIN EIGHTEEN MONTHS AFTER THE EFFECTIVE DATE OF THIS ARTICLE, NOT MORE THAN FIFTY ACADEMIC COLLABORATIVE DISTRICTS. TWENTY-FIVE ACADEMIC COLLABORATIVE DISTRICTS SHALL BE ALLOCATED TO PRIVATE COLLEGES AND TWENTY-FIVE ACADEMIC COLLABORATIVE DISTRICTS SHALL BE ALLOCATED TO PUBLIC COLLEGES.

(C) IN REVIEWING APPLICATIONS FOR DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT, THE BOARD SHALL CONSIDER THE LEVEL OF LOCAL PARTICIPATION INCLUDING, BUT NOT LIMITED TO, LOCAL TAX INCENTIVES AND THE PROVISION OF LOCAL SERVICES.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, SUCH DISTRICTS DESIGNATED, SHALL BE, AS FAR AS PRACTICABLE, EQUALLY DISTRIBUTED BETWEEN URBAN, SUBURBAN AND RURAL AREAS.

(E) THE DEPARTMENT OF AUDIT AND CONTROL, THE DEPARTMENT OF TAXATION AND FINANCE, THE DEPARTMENT OF ECONOMIC DEVELOPMENT, AND THE LEGISLATIVE COMMISSION ON EXPENDITURE REVIEW SHALL PREPARE REPORTS ON THE MANAGEMENT AND THE ECONOMIC AND FISCAL IMPACT OF ACADEMIC COLLABORATIVE DISTRICTS.

(F) IN REVIEWING APPLICATIONS FOR DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT, THE BOARD SHALL GIVE PRIORITY TO COLLEGES THAT:

(I) ARE LOCATED IN COUNTIES IN WHICH THE UNEMPLOYMENT RATE IS HIGHER THAN THE AVERAGE UNEMPLOYMENT RATE FOR THE ENTIRE STATE;

(II) HAVE THE POTENTIAL TO CREATE A SIGNIFICANT NUMBER OF NEW JOBS; AND

(III) SHALL USE THE RESULTS OF BASIC RESEARCH TO CREATE NEW COMMERCIAL APPLICATIONS OF THAT RESEARCH.

S 357. APPLICATION FOR ACADEMIC COLLABORATIVE DISTRICT DESIGNATION. (A) (I) A COLLEGE MAY PREPARE AND SUBMIT AN APPLICATION TO THE COMMISSIONER FOR DESIGNATION OF AN AREA THEREIN AS AN ACADEMIC COLLABORATIVE DISTRICT;

(II) NO APPLICATION FOR DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT PURSUANT TO THIS ARTICLE SHALL BE ACCEPTED UNLESS THE APPLICANT DEMONSTRATES THAT IT HAS, TO THE MAXIMUM EXTENT FEASIBLE,

SOLICITED AND CONSIDERED THE VIEWS OF RESIDENTS OF THE PROPOSED DISTRICT, THE VIEWS OF STATE AND LOCAL OFFICIALS ELECTED TO REPRESENT SUCH RESIDENTS AND THE LOCAL PRIVATE ORGANIZATIONS REPRESENTING SUCH RESIDENTS.

(B) EACH APPLICATION SHALL:

(I) BE PREPARED IN A MANNER AND FORM PRESCRIBED BY REGULATIONS PROMULGATED BY THE COMMISSIONER, AND THE APPLICANT COLLEGE SHALL ENSURE THAT THE INFORMATION CONTAINED IN SUCH APPLICATION, TO THE MAXIMUM EXTENT POSSIBLE, IS ACCURATE AND COMPLETE;

(II) INCLUDE EVIDENCE OF THE ADOPTION OF AN ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT PLAN BY THE LOCAL GOVERNING BODY OF THE AREA IN WHICH THE ACADEMIC COLLABORATIVE DISTRICT IS TO BE LOCATED;

(III) INCLUDE A MAP OF THE AREA COMPRISING THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT, SHOWING EXISTING STREETS, HIGHWAYS, WATERWAYS, NATURAL BOUNDARIES AND OTHER PHYSICAL FEATURES;

(IV) INCLUDE EVIDENCE THAT THE APPLICANT HAS, TO THE MAXIMUM EXTENT FEASIBLE, SOLICITED AND CONSIDERED THE VIEWS OF RESIDENTS OF THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT AND THE LOCAL GOVERNMENTAL AND PRIVATE ORGANIZATIONS REPRESENTING SUCH RESIDENTS;

(V) SPECIFY GOALS AND OBJECTIVES, BOTH SHORT TERM AND LONG TERM, FOR THE PROPOSED DISTRICT;

(VI) IDENTIFY FINANCIAL COMMITMENTS THE APPLICANT WILL MAKE TO THE DISTRICT FOR ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, MARKETING OF THE DISTRICT FOR BUSINESS DEVELOPMENT, HUMAN RESOURCE SERVICES FOR DISTRICT RESIDENTS AND BUSINESSES, AND SERVICES FOR SMALL AND MINORITY- AND WOMEN-OWNED BUSINESSES; AND

(VII) IDENTIFY PUBLICLY CONTROLLED AND OTHER DEVELOPABLE LANDS AND BUILDINGS WITHIN THE PROPOSED DISTRICT WHICH ARE OR COULD BE MADE AVAILABLE FOR INDUSTRIAL AND COMMERCIAL DEVELOPMENT.

S 358. ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT PLAN. AN ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT PLAN SHALL BE FILED WITH THE COMMISSIONER, AND SHALL DEMONSTRATE THE METHODS BY WHICH THE APPLICANT INTENDS TO PROMOTE THE DEVELOPMENT OF NEW BUSINESS AND THE EXPANSION OF EXISTING BUSINESS WITHIN THE ACADEMIC COLLABORATIVE DISTRICT AND SHALL INCLUDE, BUT SHALL NOT BE LIMITED TO:

(A) A STATEMENT INDICATING HOW ACADEMIC COLLABORATIVE DISTRICT DESIGNATION WOULD ASSIST IN THE REVITALIZATION OF THE AREA IN WHICH SUCH DISTRICT IS PROPOSED TO BE LOCATED;

(B) A DESCRIPTION OF THE METHOD BY WHICH INDUSTRIAL DEVELOPMENT AGENCIES OR OTHER PUBLIC FINANCE AGENCIES SHALL GRANT A PREFERENCE FOR ALLOCATION OF PRIVATE ACTIVITY BONDING AUTHORITY FOR PROJECTS LOCATED IN THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT;

(C) A DESCRIPTION OF PROPOSALS FOR INFRASTRUCTURE IMPROVEMENTS AND INVESTMENTS AND A TIMETABLE FOR THEIR COMPLETION;

(D) A STATEMENT IDENTIFYING THOSE LOCAL TAX INCENTIVES PROPOSED TO BE OFFERED WITHIN THE DISTRICT;

(E) A DESCRIPTION OF A PROCEDURE TO EXPEDITE THE ISSUANCE OF ANY REQUIRED LOCAL PERMITS OR LICENSES;

(F) A DESCRIPTION OF OTHER ACTIVITIES TO BE UNDERTAKEN BY MUNICIPAL AGENCIES, BUSINESS ENTITIES, NOT-FOR-PROFIT CORPORATIONS, COMMUNITY-BASED ORGANIZATIONS OR ANY OTHER PERSONS, WHICH ARE DESIGNED TO PROMOTE PRIVATE SECTOR BUSINESS INVESTMENT AND JOB DEVELOPMENT IN THE DISTRICT AND A DESCRIPTION OF THE JOB TRAINING OR JOB PLACEMENT SERVICES TO BE MADE AVAILABLE TO DISTRICT RESIDENTS IN NEED OF SUCH TRAINING OR SERVICES;

(G) AN INVENTORY OF REAL PROPERTY LOCATED WITHIN THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT THAT IS OWNED BY A MUNICIPALITY OR THE STATE AND IS CURRENTLY UNUSED BY THE MUNICIPALITY OR THE STATE;

(H) A DESCRIPTION OF THE BUSINESS DEVELOPMENT PROGRAMS AND SERVICES TO BE AVAILABLE TO STIMULATE THE CREATION OF NEW SMALL BUSINESSES, INCLUDING NEW SMALL MINORITY AND WOMEN BUSINESS ENTERPRISES;

(I) A DESCRIPTION OF EFFORTS THAT WILL BE UNDERTAKEN TO PREVENT OR DISCOURAGE THE DISPLACEMENT OF RESIDENTS OF THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT;

(J) A DESCRIPTION OF ACTIVITIES DESIGNED TO ENSURE THE MEANINGFUL PARTICIPATION OF MINORITY-OWNED AND WOMEN-OWNED BUSINESS ENTERPRISES IN ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT ACTIVITIES;

(K) A DESCRIPTION OF PROVISIONS FOR THE PARTICIPATION OF NOT-FOR-PROFIT AND BUSINESS CORPORATIONS IN THE DEVELOPMENT OF THE PLAN AND IN STRATEGIES FOR IMPLEMENTATION OF THE PLAN;

(L) A DESCRIPTION OF THE MARKETING STRATEGY TO BE EMPLOYED BY THE APPLICANT TO PROMOTE BUSINESS DEVELOPMENT IN THE DISTRICT AND THE RESOURCES TO BE COMMITTED BY THE APPLICANT AND OTHER ORGANIZATIONS TO THE IMPLEMENTATION OF SUCH STRATEGY;

(M) A DESCRIPTION OF THE METHOD BY WHICH THE APPLICANT WILL EVALUATE THE SUCCESS OF ANY ACTIVITIES TO BE UNDERTAKEN IN THE PROPOSED ACADEMIC COLLABORATIVE DISTRICT, PROVIDED, HOWEVER, THAT THE APPLICANT SHALL TAKE INTO CONSIDERATION THE FACTORS UPON WHICH THE SELECTION OF THE AREA WAS BASED IN ANY EVALUATION;

(N) A DESCRIPTION OF PROVISIONS FOR PARTICIPATION AND ALLOCATION OF FUNDS BY THE AFFECTED SERVICE DELIVERY AREA PRIVATE INDUSTRY COUNCIL AND ADMINISTRATIVE ENTITY ESTABLISHED PURSUANT TO THE JOB TRAINING PARTNERSHIP ACT (P.L. 97-300, AS AMENDED) TO PROVIDE JOB TRAINING IN THE DISTRICT;

(O) A STATEMENT OF THE REASONS WHY THE PARTICULAR GEOGRAPHIC CONFIGURATION OF THE DISTRICT WAS SELECTED;

(P) A DESCRIPTION OF THE SPECIAL PROGRAMS TO BE OPERATED BY EDUCATIONAL INSTITUTIONS AND OTHER TRAINING ENTITIES IN THE AREA TO PREPARE AND TRAIN DISTRICT RESIDENTS FOR EMPLOYMENT BY BUSINESSES LOCATED WITHIN AND OUTSIDE THE DISTRICT;

(Q) A STATEMENT FROM THE APPROPRIATE REGIONAL ECONOMIC DEVELOPMENT COUNCIL SETTING FORTH THE SPECIFIC RESOURCES TO BE ALLOCATED FOR BUSINESS DEVELOPMENT IN THE DISTRICT;

(R) A DESCRIPTION OF FACILITIES FOR LICENSED AND CERTIFIED CHILD DAY CARE FOR THE CHILDREN OF PERSONS ENGAGED IN TRAINING FOR EMPLOYMENT IN, OR EMPLOYED IN, THE DISTRICT;

(S) A DESCRIPTION OF SPECIFIC STRATEGIES AND PRIORITIES FOR ECONOMIC REVITALIZATION OF THE DISTRICT AND OF INDICATORS TO BE USED TO MEASURE PERFORMANCE AGAINST OBJECTIVES;

(T) A STATEMENT OF HUMAN RESOURCE DEVELOPMENT GOALS FOR THE ACADEMIC COLLABORATIVE DISTRICT AND SPECIFIC STRATEGIES FOR ACHIEVING THEM;

(U) A DESCRIPTION OF HOW THE APPLICANT WILL USE DISTRICT DESIGNATION TO COORDINATE ECONOMIC DEVELOPMENT PROGRAMS AND PROVIDERS AT THE LOCAL LEVEL TO SERVICE THE DISTRICT; AND

(V) A DESCRIPTION OF THE FINANCIAL COMMITMENTS WHICH THE APPLICANT IS PREPARED TO MAKE TO THE DISTRICT, INCLUDING, BUT NOT LIMITED TO, SPECIFIC COMMITMENTS FOR INFRASTRUCTURE IMPROVEMENTS.

S 359. TERMINATION OR REVISION OF AN ACADEMIC COLLABORATIVE DISTRICT. (A) EXCEPT AS PROVIDED IN THIS SECTION, ANY DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT SHALL REMAIN IN EFFECT DURING THE PERIOD

BEGINNING ON THE DATE OF DESIGNATION AND ENDING JULY THIRTY-FIRST, TWO THOUSAND SIXTEEN.

(B) AFTER CONSULTATION WITH THE DIRECTOR OF THE BUDGET AND THE COMMISSIONER OF LABOR, THE COMMISSIONER MAY TERMINATE THE DESIGNATION OF AN AREA AS AN ACADEMIC COLLABORATIVE DISTRICT UPON A FINDING THAT (I) THE APPLICANT HAS FAILED SUBSTANTIALLY TO IMPLEMENT THE ACADEMIC COLLABORATIVE DISTRICT DEVELOPMENT PLAN WITHIN THE TIME STATED THEREIN; (II) THERE HAS BEEN NO SUBSTANTIAL BUSINESS DEVELOPMENT OR JOB CREATION WITHIN THE AREA DESIGNATED AS AN ACADEMIC COLLABORATIVE DISTRICT WITHIN FIVE YEARS AFTER SUCH DESIGNATION; (III) THERE HAS BEEN INADEQUATE MANAGEMENT AND EVALUATION OF THE DISTRICT AT THE LOCAL LEVEL; OR (IV) THE APPLICANT HAS REPEATEDLY FAILED TO COMPLY WITH PROGRAM REPORTING REQUIREMENTS, PROVIDED, HOWEVER, THAT NO TERMINATION SHALL OCCUR UNLESS AND UNTIL WRITTEN NOTICE HAS BEEN GIVEN TO THE APPLICANT AND A PUBLIC HEARING HAS BEEN HELD THIRTY DAYS PRIOR TO THE EFFECTIVE DATE OF SUCH TERMINATION.

(C) A COLLEGE MAY, BY RESOLUTION, SUBMIT TO THE COMMISSIONER A REQUEST TO REVISE THE BOUNDARIES OF AN EXISTING ACADEMIC COLLABORATIVE DISTRICT. THE COMMISSIONER MAY, AFTER CONSULTATION WITH THE COMMISSIONER OF LABOR, APPROVE SUCH REVISION SUBJECT TO THE FOLLOWING PROVISIONS:

(I) ANY REVISION OF THE BORDERS OF AN ACADEMIC COLLABORATIVE DISTRICT SHALL BE BASED UPON A DETERMINATION BY THE COMMISSIONER THAT A CHANGE IN CIRCUMSTANCES HAS OCCURRED SINCE THE ESTABLISHMENT OF THE EXISTING BORDERS WHICH MAKES REVISION OF SUCH BORDERS NECESSARY OR DESIRABLE.

(II) THE COMMISSIONER SHALL AFFIRM THAT SUCH REVISION WOULD NOT HAVE THE EFFECT OF PRODUCING AN ACADEMIC COLLABORATIVE DISTRICT WHICH DOES NOT SATISFY THE CRITERIA FOR DISTRICT DESIGNATION ESTABLISHED BY OR PURSUANT TO SECTION THREE HUNDRED FIFTY-THREE OF THIS ARTICLE.

(III) THE COMMISSIONER MAY GRANT APPROVAL OF REVISION OF THE BORDERS OF AN ACADEMIC COLLABORATIVE DISTRICT WITHOUT PRIOR PUBLIC NOTICE AND WITHOUT A PRIOR PUBLIC HEARING IF SUCH REVISION ADDS TERRITORY TO AN EXISTING ACADEMIC COLLABORATIVE DISTRICT, BUT DOES NOT REMOVE TERRITORY FROM SUCH DISTRICT.

(IV) THE COMMISSIONER MAY GRANT APPROVAL OF A REVISION OF THE BORDERS OF AN ACADEMIC COLLABORATIVE DISTRICT AFTER PUBLIC NOTICE OF SUCH PROPOSED REVISION AND A PUBLIC HEARING AT LEAST THIRTY DAYS PRIOR TO THE EFFECTIVE DATE OF SUCH REVISION, IF SUCH REVISION REMOVES TERRITORY FROM AN EXISTING ACADEMIC COLLABORATIVE DISTRICT.

(V) THE REVISION OF THE BORDERS OF AN ACADEMIC COLLABORATIVE DISTRICT SHALL HAVE NO EFFECT ON THE DURATION OF THE DESIGNATION OF SUCH ACADEMIC COLLABORATIVE DISTRICT AS PROVIDED BY SUBDIVISION (A) OF THIS SECTION.

(VI) IT IS THE POLICY TO ALLOW EACH DISTRICT NO MORE THAN ONE BOUNDARY AMENDMENT WITHIN A TWELVE MONTH PERIOD. IF, HOWEVER, THERE IS A CHANGE IN CIRCUMSTANCES INVOLVING EXTENUATING FACTORS WITHIN THE YEAR (SUCH AS THE ATTRACTION/RETENTION OF A MAJOR POTENTIAL/AREA EMPLOYER, WHICH IS CONSISTENT WITH THE DISTRICT'S DEVELOPMENT GOALS), THE REQUEST WILL BE CONSIDERED.

(D) UPON THE TERMINATION OR REVISION OF THE BORDERS OF AN ACADEMIC COLLABORATIVE DISTRICT AS PROVIDED IN THIS SECTION, THE COMMISSIONER SHALL FILE NOTICE OF SUCH ACTION AS REQUIRED BY SECTION THREE HUNDRED FIFTY-FOUR OF THIS ARTICLE.

S 2. The real property tax law is amended by adding a new section 485-n to read as follows:

S 485-N. ACADEMIC COLLABORATIVE DISTRICT EXEMPTION. 1. (A) REAL PROPERTY CONSTRUCTED, ALTERED, INSTALLED OR IMPROVED IN AN AREA DESIGNATED AN ACADEMIC COLLABORATIVE DISTRICT PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW SHALL BE EXEMPT FROM TAXATION AND SPECIAL AD

VALOREM LEVIES BY ANY MUNICIPAL CORPORATION IN WHICH LOCATED, FOR THE PERIOD AND TO THE EXTENT HEREIN PROVIDED, PROVIDED THAT THE GOVERNING BOARD OF SUCH MUNICIPAL CORPORATION, AFTER PUBLIC HEARING, ADOPTS A LOCAL LAW, ORDINANCE OR RESOLUTION PROVIDING THEREFOR.

(B) FOR EXEMPTIONS COMMENCING IN THE FIRST SEVEN YEARS FROM THE DATE ON WHICH THE ACADEMIC COLLABORATIVE DISTRICT WAS DESIGNATED, THE AMOUNT OF SUCH EXEMPTION IN ANY OF THESE YEARS SHALL BE ONE HUNDRED PERCENT OF THE "BASE AMOUNT", DETERMINED PURSUANT TO SUBDIVISION TWO OF THIS SECTION. IN THE EIGHTH, NINTH AND TENTH YEARS, THE AMOUNT OF THE EXEMPTION SHALL BE SEVENTY-FIVE PERCENT, FIFTY PERCENT, AND TWENTY-FIVE PERCENT, RESPECTIVELY, OF SUCH BASE AMOUNT.

(C) FOR EXEMPTIONS COMMENCING IN THE EIGHTH, NINTH AND TENTH YEARS FROM THE DATE ON WHICH THE ACADEMIC COLLABORATIVE DISTRICT WAS DESIGNATED, THE AMOUNT OF SUCH EXEMPTION SHALL BE SEVENTY-FIVE PERCENT, FIFTY PERCENT AND TWENTY-FIVE PERCENT, RESPECTIVELY, OF THE "BASE AMOUNT", DETERMINED PURSUANT TO SUBDIVISION TWO OF THIS SECTION.

1-A. (A) A MUNICIPAL CORPORATION MAY PROVIDE IN SUCH LOCAL LAW, ORDINANCE OR RESOLUTION, OR IN A SEPARATE LOCAL LAW, ORDINANCE OR RESOLUTION ADOPTED AFTER PUBLIC HEARING, THAT THE EXEMPTION SO AUTHORIZED SHALL BE FOR A TERM OF TEN YEARS, NOTWITHSTANDING THAT THE DESIGNATION OF THE DISTRICT MAY EXPIRE PRIOR TO THE END OF SUCH TEN YEAR TERM. ANY SUCH LOCAL LAW, ORDINANCE OR RESOLUTION SHALL BE APPLICABLE ONLY TO EXEMPTIONS COMMENCING ON ASSESSMENT ROLLS WITH TAXABLE STATUS DATES ON OR AFTER THE EFFECTIVE DATE OF SUCH LOCAL LAW, ORDINANCE OR RESOLUTION.

(B) WHERE SUCH LOCAL LAW, ORDINANCE OR RESOLUTION HAS BEEN ADOPTED, THE AMOUNT OF SUCH EXEMPTION IN THE FIRST SEVEN YEARS OF ITS TERM SHALL BE ONE HUNDRED PERCENT OF THE "BASE AMOUNT," DETERMINED PURSUANT TO SUBDIVISION TWO OF THIS SECTION. THE AMOUNT OF THE EXEMPTION IN THE EIGHTH, NINTH, AND TENTH YEARS OF ITS TERM SHALL BE SEVENTY-FIVE PERCENT, FIFTY PERCENT AND TWENTY-FIVE PERCENT, RESPECTIVELY, OF SUCH BASE AMOUNT.

2. (A) THE BASE AMOUNT OF THE EXEMPTION SHALL BE THE EXTENT OF THE INCREASE IN ASSESSED VALUE ATTRIBUTABLE TO SUCH CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT AS DETERMINED IN THE INITIAL YEAR FOR WHICH APPLICATION FOR EXEMPTION IS MADE PURSUANT TO THIS SECTION. THE BASE AMOUNT SHALL REMAIN CONSTANT FOR THE AUTHORIZED TERM OF THE EXEMPTION, SUBJECT TO THE FOLLOWING:

(I) IF THERE IS SUBSEQUENT CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT DURING THE TERM OF THE EXEMPTION, THE BASE AMOUNT SHALL BE REVISED TO INCLUDE THE INCREASE IN ASSESSED VALUE ATTRIBUTABLE TO SUCH CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT.

(II) IF A CHANGE IN LEVEL OF ASSESSMENT OF FIFTEEN PERCENT OR MORE IS CERTIFIED FOR AN ASSESSMENT ROLL PURSUANT TO THE RULES OF THE STATE BOARD, THE BASE AMOUNT SHALL BE ADJUSTED BY SUCH CHANGE IN LEVEL OF ASSESSMENT. THE EXEMPTION ON THAT ASSESSMENT ROLL SHALL THEREUPON BE RECOMPUTED, NOTWITHSTANDING THE FACT THAT THE ASSESSOR RECEIVES THE CERTIFICATION AFTER THE COMPLETION, VERIFICATION AND FILING OF THE FINAL ASSESSMENT ROLL. IN THE EVENT THE ASSESSOR DOES NOT HAVE CUSTODY OF THE ROLL WHEN SUCH CERTIFICATION IS RECEIVED, THE ASSESSOR SHALL CERTIFY THE RECOMPUTED EXEMPTION TO THE LOCAL OFFICERS HAVING CUSTODY AND CONTROL OF THE ROLL, AND SUCH LOCAL OFFICERS ARE HEREBY DIRECTED AND AUTHORIZED TO ENTER THE RECOMPUTED EXEMPTION CERTIFIED BY THE ASSESSOR ON THE ROLL.

(B) NO SUCH EXEMPTION SHALL BE GRANTED UNLESS, PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW:

(I) NOTICE OF THE DESIGNATION OF THE ACADEMIC COLLABORATIVE DISTRICT HAS BEEN FILED WITH THE CLERK OF THE ASSESSING UNIT BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT ON OR BEFORE THE APPLICABLE TAXABLE STATUS DATE;

(II) THE CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT COMMENCED ON OR AFTER THE DATE THE ACADEMIC COLLABORATIVE DISTRICT WAS DESIGNATED; AND

(III) THE DESIGNATION OF THE ACADEMIC COLLABORATIVE DISTRICT HAS NOT ENDED AND HAS NOT BEEN TERMINATED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT ON OR BEFORE THE APPLICABLE TAXABLE STATUS DATE.

(C) FOR PURPOSES OF THIS SECTION THE TERMS CONSTRUCTION, ALTERATION, INSTALLATION AND IMPROVEMENT SHALL NOT INCLUDE ORDINARY MAINTENANCE AND REPAIRS.

(D) NO SUCH EXEMPTION SHALL BE GRANTED CONCURRENT WITH OR SUBSEQUENT TO ANY OTHER REAL PROPERTY TAX EXEMPTION GRANTED TO THE SAME IMPROVEMENTS TO REAL PROPERTY, EXCEPT, WHERE DURING THE PERIOD OF SUCH PREVIOUS EXEMPTION, PAYMENTS IN LIEU OF TAXES OR OTHER PAYMENTS WERE MADE TO THE LOCAL GOVERNMENT IN AN AMOUNT THAT WOULD HAVE BEEN EQUAL TO OR GREATER THAN THE AMOUNT OF REAL PROPERTY TAXES THAT WOULD HAVE BEEN PAID ON SUCH IMPROVEMENTS HAD SUCH PROPERTY BEEN GRANTED AN EXEMPTION PURSUANT TO THIS SECTION. IN SUCH CASE, AN EXEMPTION SHALL BE GRANTED FOR A NUMBER OF YEARS EQUAL TO THE TEN YEAR EXEMPTION GRANTED PURSUANT TO THIS SECTION LESS THE NUMBER OF YEARS THE PROPERTY WOULD HAVE BEEN PREVIOUSLY EXEMPT FROM REAL PROPERTY TAXES.

3. SUCH EXEMPTION SHALL BE GRANTED ONLY UPON APPLICATION BY THE OWNER OF SUCH REAL PROPERTY ON A FORM PRESCRIBED BY THE STATE BOARD. THE ORIGINAL OF SUCH APPLICATION SHALL BE FILED WITH THE ASSESSOR OF THE ASSESSING UNIT. SUCH ORIGINAL APPLICATION SHALL BE FILED ON OR BEFORE THE APPROPRIATE TAXABLE STATUS DATE OF SUCH ASSESSING UNIT AND NO LATER THAN ONE YEAR FROM THE DATE OF COMPLETION OF SUCH CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT.

4. IF THE ASSESSOR RECEIVES THE NOTICE DESCRIBED IN PARAGRAPH (B) OF SUBDIVISION TWO OF THIS SECTION AND AN APPLICATION BY THE OWNER OF THE REAL PROPERTY, HE SHALL APPROVE THE APPLICATION AND SUCH REAL PROPERTY SHALL THEREAFTER BE EXEMPT FROM TAXATION AS HEREIN PROVIDED COMMENCING WITH THE ASSESSMENT ROLL PREPARED AFTER THE TAXABLE STATUS DATE REFERRED TO IN SUBDIVISION THREE OF THIS SECTION. THE ASSESSED VALUE OF ANY EXEMPTION GRANTED PURSUANT TO THIS SECTION SHALL BE ENTERED BY THE ASSESSOR ON THE ASSESSMENT ROLL WITH THE TAXABLE PROPERTY, WITH THE AMOUNT OF THE EXEMPTION ENTERED IN A SEPARATE COLUMN.

5. EXEMPTIONS EXISTING PRIOR IN TIME TO THE TERMINATION OF THE DESIGNATION OF AN ACADEMIC COLLABORATIVE DISTRICT BY THE COMMISSIONER, OR, IN THE CASE OF A MUNICIPAL CORPORATION WHICH HAS ADOPTED A LOCAL LAW, ORDINANCE OR RESOLUTION PURSUANT TO SUBDIVISION ONE-A OF THIS SECTION, PRIOR IN TIME TO THE EXPIRATION OF SUCH DESIGNATION, SHALL CONTINUE AS IF THE DESIGNATION OF THE ACADEMIC COLLABORATIVE DISTRICT HAD NOT BEEN TERMINATED, OR, IF APPLICABLE, HAD NOT EXPIRED; PROVIDED, HOWEVER, THAT ANY FURTHER INCREASE IN THE VALUE ATTRIBUTABLE TO CONSTRUCTION, ALTERATION, INSTALLATION OR IMPROVEMENT COMMENCED SUBSEQUENT TO THE DATE OF TERMINATION, OR, IF APPLICABLE, THE DATE OF EXPIRATION, SHALL NOT BE ELIGIBLE FOR EXEMPTION PURSUANT TO THIS SECTION.

S 3. Section 186-a of the tax law is amended by adding a new subdivision 8-a to read as follows:

8-A. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR ANY OTHER LAW TO THE CONTRARY, ANY UTILITY (A) WHICH IS SUBJECT TO TAX HEREUNDER, AND (B) WHICH IS SUBJECT TO THE SUPERVISION OF THE DEPARTMENT OF PUBLIC SERVICE, SHALL PROVIDE, IN ADDITION TO ANY OTHER DISCOUNT, A REDUCTION

OF THREE PERCENT IN THE RATE CHARGED FOR GAS, ELECTRICITY, STEAM OR WATER SOLD, OR GAS, ELECTRIC, STEAM OR WATER SERVICE RENDERED, PRIOR TO TWO THOUSAND ELEVEN, FOR ULTIMATE CONSUMPTION OR USE WITHIN AN AREA DESIGNATED AS AN ACADEMIC COLLABORATIVE DISTRICT PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW BY A BUSINESS, WHETHER INCORPORATED OR UNINCORPORATED, OTHER THAN A RETAIL ENTERPRISE AS DEFINED IN PARAGRAPH (K) OF SUBDIVISION TWELVE OF SECTION TWO HUNDRED TEN OF THIS CHAPTER BUT WITHOUT REGARD TO SUBPARAGRAPH (III) OF SUCH PARAGRAPH, WHICH HAS BEEN CERTIFIED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND WHICH HAS CLAIMED A CREDIT UNDER SUBDIVISION NINETEEN OF SECTION TWO HUNDRED TEN, SUBSECTION (K) OF SECTION SIX HUNDRED SIX, SUBSECTION (E) OF SECTION FOURTEEN HUNDRED FIFTY-SIX OR SUBDIVISION (G) OF SECTION FIFTEEN HUNDRED ELEVEN OF THIS CHAPTER DURING THE PREVIOUS FIFTEEN MONTHS, AS EVIDENCED BY A CERTIFICATE ISSUED BY THE COMMISSIONER TO SUCH BUSINESS. NINETY-SIX AND ONE-HALF PERCENT OF THE AGGREGATE OF SUCH REDUCTIONS DURING THE YEAR MAY BE APPLIED AS A CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS SECTION WITH RESPECT TO SUCH YEAR.

S 4. Section 210 of the tax law is amended by adding two new subdivisions 12-H and 12-I to read as follows:

12-H. ACADEMIC COLLABORATIVE DISTRICT INVESTMENT TAX CREDIT. (A) A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREIN PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE IF THE TAXPAYER HAS BEEN CERTIFIED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW. THE AMOUNT OF THE CREDIT SHALL BE TEN PERCENT OF THE COST OR OTHER BASIS FOR FEDERAL INCOME TAX PURPOSES OF TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS, DESCRIBED IN PARAGRAPH (B) OF THIS SUBDIVISION, WHICH IS LOCATED WITHIN AN ACADEMIC COLLABORATIVE DISTRICT DESIGNATED AS SUCH PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, BUT ONLY IF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION OF SUCH PROPERTY OCCURRED OR WAS COMMENCED ON OR AFTER THE DATE OF SUCH DESIGNATION AND PRIOR TO THE EXPIRATION THEREOF. PROVIDED, HOWEVER, THAT IN THE CASE OF AN ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION WHICH WAS COMMENCED DURING SUCH PERIOD AND CONTINUED OR COMPLETED SUBSEQUENTLY, SUCH CREDIT SHALL BE TEN PERCENT OF THE PORTION OF THE COST OR OTHER BASIS FOR FEDERAL INCOME TAX PURPOSES ATTRIBUTABLE TO SUCH PERIOD, WHICH PORTION SHALL BE ASCERTAINED BY MULTIPLYING SUCH COST OR BASIS BY A FRACTION, THE NUMERATOR OF WHICH SHALL BE THE EXPENDITURES PAID OR INCURRED DURING SUCH PERIOD FOR SUCH PURPOSES AND THE DENOMINATOR OF WHICH SHALL BE THE TOTAL OF ALL EXPENDITURES PAID OR INCURRED FOR SUCH ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION.

(B) A CREDIT SHALL BE ALLOWED UNDER THIS SUBDIVISION WITH RESPECT TO TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS, WHICH (I) ARE DEPRECIABLE PURSUANT TO SECTION ONE HUNDRED SIXTY-SEVEN OF THE INTERNAL REVENUE CODE, (II) HAVE A USEFUL LIFE OF FOUR YEARS OR MORE, (III) ARE ACQUIRED BY PURCHASE AS DEFINED IN SECTION ONE HUNDRED SEVENTY-NINE (D) OF THE INTERNAL REVENUE CODE, (IV) HAVE A SITUS IN AN ACADEMIC COLLABORATIVE DISTRICT DESIGNATED AS SUCH PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND (V) ARE DEVELOPMENTALLY USED BY THE TAXPAYER IN (A) THE PRODUCTION OF GOODS BY MANUFACTURING, PROCESSING, ASSEMBLING, REFINING, MINING, EXTRACTING, FARMING, AGRICULTURE, HORTICULTURE, FLORICULTURE, VITICULTURE OR COMMERCIAL FISHING, (B) INDUSTRIAL WASTE TREATMENT FACILITIES OR AIR POLLUTION CONTROL FACILITIES USED IN THE TAXPAYER'S TRADE OR BUSINESS, (C) RESEARCH AND DEVELOPMENT PROPERTY, (D) THE

ORDINARY COURSE OF THE TAXPAYER'S TRADE OR BUSINESS AS A BROKER OR DEALER IN CONNECTION WITH THE PURCHASE OR SALE (WHICH SHALL INCLUDE BUT NOT BE LIMITED TO THE ISSUANCE, ENTERING INTO, ASSUMPTION, OFFSET, ASSIGNMENT, TERMINATION, OR TRANSFER) OF STOCKS, BONDS OR OTHER SECURITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (C)(2) OF THE INTERNAL REVENUE CODE, OR OF COMMODITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (E) OF THE INTERNAL REVENUE CODE, (E) THE ORDINARY COURSE OF THE TAXPAYER'S TRADE OR BUSINESS OF PROVIDING INVESTMENT ADVISORY SERVICES FOR A REGULATED INVESTMENT COMPANY AS DEFINED IN SECTION EIGHT HUNDRED FIFTY-ONE OF THE INTERNAL REVENUE CODE, OR LENDING, LOAN ARRANGEMENT, OR LOAN ORIGINATION SERVICES TO CUSTOMERS IN CONNECTION WITH THE PURCHASE OR SALE (WHICH SHALL INCLUDE BUT NOT BE LIMITED TO THE ISSUANCE, ENTERING INTO, ASSUMPTION, OFFSET, ASSIGNMENT, TERMINATION OR TRANSFER) OF SECURITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (C)(2) OF THE INTERNAL REVENUE CODE, OR (F) IN THE ORDINARY COURSE OF THE TAXPAYER'S BUSINESS AS AN EXCHANGE REGISTERED AS A NATIONAL SECURITIES EXCHANGE WITHIN THE MEANING OF SECTIONS 3(A)(1) AND 6(A) OF THE SECURITIES EXCHANGE ACT OF 1934 OR A BOARD OF TRADE AS DEFINED IN SUBPARAGRAPH ONE OF PARAGRAPH (A) OF SECTION FOURTEEN HUNDRED TEN OF THE NOT-FOR-PROFIT CORPORATION LAW OR AS AN ENTITY THAT IS WHOLLY OWNED BY ONE OR MORE SUCH NATIONAL SECURITIES EXCHANGES OR BOARDS OF TRADE AND THAT PROVIDES AUTOMATION OR TECHNICAL SERVICES THERETO. FOR PURPOSES OF CLAUSES (D), (E) AND (F) OF SUBPARAGRAPH (V) OF THIS PARAGRAPH, PROPERTY PURCHASED BY A TAXPAYER AFFILIATED WITH A REGULATED BROKER, DEALER, NATIONAL SECURITIES EXCHANGE OR BOARD OF TRADE IS ALLOWED A CREDIT UNDER THIS SUBDIVISION IF THE PROPERTY IS USED BY ITS AFFILIATED REGULATED BROKER, DEALER OR NATIONAL SECURITIES EXCHANGE OR BOARD OF TRADE IN ACCORDANCE WITH THIS SUBDIVISION. PROVIDED, HOWEVER, A TAXPAYER SHALL NOT BE ALLOWED THE CREDIT PROVIDED BY CLAUSES (D), (E) AND (F) OF SUBPARAGRAPH (V) OF THIS PARAGRAPH UNLESS ALL OR A SUBSTANTIAL PORTION OF THE EMPLOYEES PERFORMING THE ADMINISTRATIVE AND SUPPORT FUNCTIONS RESULTING FROM OR RELATED TO THE QUALIFYING USES OF SUCH EQUIPMENT ARE LOCATED IN THIS STATE. FOR THE PURPOSE OF THIS SUBDIVISION, THE TERM "GOODS" SHALL NOT INCLUDE ELECTRICITY. FOR PURPOSES OF THIS PARAGRAPH, MANUFACTURING SHALL MEAN THE PROCESS OF WORKING RAW MATERIALS INTO WARES SUITABLE FOR USE OR WHICH GIVES NEW SHAPES, NEW QUALITY OR NEW COMBINATIONS TO MATTER WHICH ALREADY HAS GONE THROUGH SOME ARTIFICIAL PROCESS BY THE USE OF MACHINERY, TOOLS, APPLIANCES AND OTHER SIMILAR EQUIPMENT. PROPERTY USED IN THE PRODUCTION OF GOODS SHALL INCLUDE MACHINERY, EQUIPMENT OR OTHER TANGIBLE PROPERTY WHICH IS PRINCIPALLY USED IN THE REPAIR AND SERVICE OF OTHER MACHINERY, EQUIPMENT OR OTHER TANGIBLE PROPERTY USED PRINCIPALLY IN THE PRODUCTION OF GOODS AND SHALL INCLUDE ALL FACILITIES USED IN THE PRODUCTION OPERATION, INCLUDING STORAGE OF MATERIAL TO BE USED IN PRODUCTION AND OF THE PRODUCTS THAT ARE PRODUCED. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "RESEARCH AND DEVELOPMENT PROPERTY", "INDUSTRIAL WASTE TREATMENT FACILITIES", AND "AIR POLLUTION CONTROL FACILITIES" SHALL HAVE THE MEANINGS ASCRIBED THERETO BY CLAUSES (B), (C) AND (D), RESPECTIVELY, OF SUBPARAGRAPH (II) OF PARAGRAPH (B) OF SUBDIVISION TWELVE OF THIS SECTION, AND THE PROVISIONS OF SUBPARAGRAPH (III) OF SUCH PARAGRAPH (B) SHALL APPLY.

(C) A TAXPAYER SHALL NOT BE ALLOWED A CREDIT UNDER THIS SUBDIVISION WITH RESPECT TO ANY TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS, WHICH IT LEASES TO ANY OTHER PERSON OR CORPORATION EXCEPT WHERE A TAXPAYER LEASES PROPERTY TO AN AFFILIATED REGULATED BROKER, DEALER, NATIONAL SECURITIES EXCHANGE OR BOARD OF TRADE (OR OTHER ENTITY DESCRIBED IN

CLAUSE (F) OF SUBPARAGRAPH (V) OF PARAGRAPH (B) OF THIS SUBDIVISION THAT USES SUCH PROPERTY IN ACCORDANCE WITH CLAUSE (D), (E) OR (F) OF SUBPARAGRAPH (V) OF PARAGRAPH (B) OF THIS SUBDIVISION. FOR PURPOSES OF THE PRECEDING SENTENCE, ANY CONTRACT OR AGREEMENT TO LEASE OR RENT OR FOR A LICENSE TO USE SUCH PROPERTY SHALL BE CONSIDERED A LEASE. PROVIDED, HOWEVER, IN DETERMINING WHETHER A TAXPAYER SHALL BE ALLOWED A CREDIT UNDER THIS SUBDIVISION WITH RESPECT TO SUCH PROPERTY, ANY ELECTION MADE WITH RESPECT TO SUCH PROPERTY PURSUANT TO THE PROVISIONS OF PARAGRAPH EIGHT OF SUBSECTION (F) OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE, AS SUCH PARAGRAPH WAS IN EFFECT FOR AGREEMENTS ENTERED INTO PRIOR TO JANUARY FIRST, NINETEEN HUNDRED EIGHTY-FOUR, SHALL BE DISREGARDED.

(D) THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF SUBDIVISION ONE OF THIS SECTION. PROVIDED, HOWEVER, THAT IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION 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 FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS. IN LIEU OF SUCH CARRYOVER, ANY SUCH TAXPAYER WHICH QUALIFIES AS A NEW BUSINESS UNDER PARAGRAPH (J) OF SUBDIVISION TWELVE OF THIS SECTION MAY ELECT, ON ITS REPORT FOR ITS TAXABLE YEAR WITH RESPECT TO WHICH SUCH CREDIT IS ALLOWED, TO TREAT FIFTY PERCENT OF THE AMOUNT OF SUCH CARRYOVER AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION TEN HUNDRED EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION TEN HUNDRED EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

(E) AT THE OPTION OF THE TAXPAYER AIR OR WATER POLLUTION CONTROL FACILITIES WHICH QUALIFY FOR ELECTIVE DEDUCTIONS UNDER PARAGRAPH (G) OF SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE OR AN ELIGIBLE BUSINESS FACILITY FOR WHICH A CREDIT IS ALLOWED UNDER SUBDIVISION ELEVEN OF THIS SECTION, OR RESEARCH AND DEVELOPMENT FACILITIES WHICH QUALIFY FOR ELECTIVE DEDUCTION UNDER SUBPARAGRAPHS TWO AND THREE OF PARAGRAPH (E) OF SUBDIVISION THREE OF THIS SECTION, OR PROPERTY WHICH QUALIFIES FOR THE CREDIT PROVIDED UNDER SUBDIVISION TWELVE OR EIGHTEEN OF THIS SECTION MAY BE TREATED AS PROPERTY PRINCIPALLY USED BY THE TAXPAYER IN THE PRODUCTION OF GOODS BY MANUFACTURING, PROCESSING, ASSEMBLING, REFINING, MINING, EXTRACTING, FARMING, AGRICULTURE, HORTICULTURE, VITICULTURE OR COMMERCIAL FISHING, PROVIDED THE PROPERTY OTHERWISE QUALIFIES UNDER PARAGRAPH (B) OF THIS SUBDIVISION, IN WHICH EVENT A DEDUCTION SHALL NOT BE ALLOWED UNDER PARAGRAPH (G) OF SUBDIVISION NINE OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE, A CREDIT SHALL NOT BE ALLOWED UNDER SUCH SUBDIVISION ELEVEN AND A DEDUCTION SHALL NOT BE ALLOWED UNDER SUCH SUBPARAGRAPH THREE OF PARAGRAPH (E) AND A CREDIT SHALL NOT BE ALLOWED UNDER SUCH SUBDIVISION TWELVE OR EIGHTEEN OF THIS SECTION.

(F) (1) WITH RESPECT TO PROPERTY WHICH IS DEPRECIABLE PURSUANT TO SECTION ONE HUNDRED SIXTY-SEVEN OF THE INTERNAL REVENUE CODE BUT IS NOT SUBJECT TO THE PROVISIONS OF SECTION ONE HUNDRED SIXTY-EIGHT OF SUCH CODE AND WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBDIVISION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE MONTHS OF USEFUL LIFE. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO

THE END OF ITS USEFUL LIFE, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. PROVIDED, HOWEVER, IF SUCH PROPERTY IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE AFTER IT HAS BEEN IN QUALIFIED USE FOR MORE THAN TWELVE CONSECUTIVE YEARS, IT SHALL NOT BE NECESSARY TO ADD BACK THE CREDIT AS PROVIDED IN THIS SUBPARAGRAPH. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE MONTHS OF USEFUL LIFE. FOR PURPOSES OF THIS SUBPARAGRAPH, USEFUL LIFE OF PROPERTY SHALL BE THE SAME AS THE TAXPAYER USES FOR DEPRECIATION PURPOSES WHEN COMPUTING HIS FEDERAL INCOME TAX LIABILITY.

(2) EXCEPT WITH RESPECT TO THAT PROPERTY TO WHICH SUBPARAGRAPH FOUR OF THIS PARAGRAPH APPLIES, WITH RESPECT TO THREE-YEAR PROPERTY, AS DEFINED IN SUBSECTION (E) OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE, WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBDIVISION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THIRTY-SIX. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THIRTY-SIX MONTHS, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THIRTY-SIX.

(3) EXCEPT WITH RESPECT TO THAT PROPERTY TO WHICH SUBPARAGRAPH FOUR OF THIS PARAGRAPH APPLIES, WITH RESPECT TO PROPERTY SUBJECT TO THE PROVISIONS OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE OTHER THAN THREE-YEAR PROPERTY AS DEFINED IN SUBSECTION (E) OF SUCH SECTION ONE HUNDRED SIXTY-EIGHT WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBDIVISION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO SIXTY. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF SIXTY MONTHS, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO SIXTY.

(4) WITH RESPECT TO ANY PROPERTY TO WHICH SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE APPLIES, WHICH IS A BUILDING OR A STRUCTURAL COMPONENT OF A BUILDING AND WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBDIVISION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE TOTAL NUMBER OF MONTHS OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE PERIOD OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. PROVIDED, HOWEVER, IF SUCH PROPERTY IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE AFTER IT HAS BEEN IN QUALIFIED USE FOR MORE THAN TWELVE CONSECUTIVE YEARS, IT SHALL NOT BE NECESSARY TO ADD BACK THE CREDIT AS

PROVIDED IN THIS SUBPARAGRAPH. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE TOTAL NUMBER OF MONTHS OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE.

(5) FOR PURPOSES OF THIS PARAGRAPH, DISPOSAL OR CESSATION OF QUALIFIED USE SHALL NOT BE DEEMED TO HAVE OCCURRED SOLELY BY REASON OF THE TERMINATION OR EXPIRATION OF AN ACADEMIC COLLABORATIVE DISTRICT'S DESIGNATION AS SUCH.

(6)(A) FOR PURPOSES OF THIS PARAGRAPH, THE DECERTIFICATION OF A BUSINESS ENTERPRISE WITH RESPECT TO AN ACADEMIC COLLABORATIVE DISTRICT SHALL CONSTITUTE A DISPOSAL OR CESSATION OF QUALIFIED USE OF THE PROPERTY ON WHICH THE CREDIT WAS TAKEN WHICH IS LOCATED IN THE DISTRICT TO WHICH THE DECERTIFICATION APPLIES, ON THE EFFECTIVE DATE OF SUCH DECERTIFICATION.

(B) WHERE A BUSINESS ENTERPRISE HAS BEEN DECERTIFIED, THE AMOUNT REQUIRED TO BE ADDED BACK BY REASON OF THIS PARAGRAPH SHALL BE (I) THE AMOUNT OF CREDIT, WITH RESPECT TO THE PROPERTY WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE, WHICH WAS DEDUCTED FROM THE TAXPAYER'S TAX OTHERWISE DUE UNDER THIS ARTICLE FOR ALL PRIOR TAXABLE YEARS, REDUCED (BUT NOT BELOW ZERO) BY (II) THE CREDIT ALLOWED FOR ACTUAL USE. FOR PURPOSES OF THIS SUBPARAGRAPH, THE ATTRIBUTION TO SPECIFIC PROPERTY OF CREDIT AMOUNTS DEDUCTED FROM TAX SHALL BE ESTABLISHED IN ACCORDANCE WITH THE DATE OF PLACEMENT IN SERVICE OF SUCH PROPERTY IN THE DISTRICT.

(C) IN NO EVENT SHALL THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION BE RENDERED, SOLELY BY REASON OF CLAUSE (A) OF THIS SUBPARAGRAPH, LESS THAN THE AMOUNT OF THE CREDIT TO WHICH THE TAXPAYER WOULD OTHERWISE BE ENTITLED UNDER SUBDIVISION TWELVE OF THIS SECTION.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBDIVISION, IN THE CASE OF A BUSINESS ENTERPRISE WHICH HAS BEEN DECERTIFIED, ANY AMOUNT OF CREDIT ALLOWED WITH RESPECT TO THE PROPERTY OF SUCH BUSINESS ENTERPRISE LOCATED IN THE DISTRICT TO WHICH THE DECERTIFICATION APPLIES WHICH IS CARRIED OVER PURSUANT TO PARAGRAPH (D) OF THIS SUBDIVISION SHALL NOT BE CARRIED OVER BEYOND THE SEVENTH TAXABLE YEAR NEXT FOLLOWING THE TAXABLE YEAR WITH RESPECT TO WHICH THE CREDIT PROVIDED FOR IN THIS SUBDIVISION WAS ALLOWED.

(7) FOR PURPOSES OF THIS PARAGRAPH, WHERE A CREDIT IS ALLOWED WITH RESPECT TO AN AIR POLLUTION CONTROL FACILITY ON THE BASIS OF A CERTIFICATE OF COMPLIANCE ISSUED PURSUANT TO THE ENVIRONMENTAL CONSERVATION LAW AND THE CERTIFICATE IS REVOKED PURSUANT TO SUBDIVISION THREE OF SECTION 19-0309 OF THE ENVIRONMENTAL CONSERVATION LAW, SUCH REVOCATION SHALL CONSTITUTE A DISPOSAL OR CESSATION OF QUALIFIED USE, EXCEPT WITH RESPECT TO PROPERTY CONTAINED IN OR COMPRISING SUCH FACILITY WHICH IS DESCRIBED IN CLAUSE (A), (B) OR (C) OF SUBPARAGRAPH (V) OF PARAGRAPH (B) OF THIS SUBDIVISION OTHER THAN AS PART OF OR COMPRISING AN AIR POLLUTION CONTROL FACILITY. ALSO FOR PURPOSES OF THIS PARAGRAPH, THE USE OF AN AIR POLLUTION CONTROL FACILITY OR AN INDUSTRIAL WASTE TREATMENT FACILITY FOR THE PRIMARY PURPOSE OF SALVAGING MATERIALS WHICH ARE USABLE IN THE MANUFACTURING PROCESS OR ARE MARKETABLE SHALL CONSTITUTE A CESSATION OF QUALIFIED USE, EXCEPT WITH RESPECT TO PROPERTY CONTAINED IN OR COMPRISING SUCH FACILITY WHICH IS DESCRIBED IN CLAUSE (A) OR (C) OF SUBPARAGRAPH (V) OF PARAGRAPH (B) OF THIS SUBDIVISION.

12-I. ACADEMIC COLLABORATIVE DISTRICT EMPLOYMENT INCENTIVE CREDIT. (A) WHERE A TAXPAYER IS ALLOWED A CREDIT UNDER SUBDIVISION TWELVE-H OF THIS SECTION, THE TAXPAYER SHALL BE ALLOWED A CREDIT FOR EACH OF THE THREE YEARS NEXT SUCCEEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER SUCH SUBDIVISION TWELVE-H IS ALLOWED, WITH RESPECT TO SUCH PROPERTY, WHETHER

OR NOT DEDUCTIBLE IN SUCH TAXABLE YEAR OR IN SUBSEQUENT TAXABLE YEARS PURSUANT TO PARAGRAPH (D) OF SUCH SUBDIVISION TWELVE-H, OF THIRTY PERCENT OF THE CREDIT ALLOWABLE UNDER SUCH SUBDIVISION TWELVE-H; PROVIDED, HOWEVER, THAT THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL ONLY BE ALLOWED IF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED BY THE TAXPAYER IN THE EMPIRE ZONE, DESIGNATED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, IN WHICH SUCH PROPERTY IS LOCATED DURING SUCH TAXABLE YEAR IS AT LEAST ONE HUNDRED ONE PERCENT OF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED BY THE TAXPAYER IN SUCH ACADEMIC COLLABORATIVE DISTRICT OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, DURING THE TAXABLE YEAR IMMEDIATELY PRECEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER SUCH SUBDIVISION TWELVE-H IS ALLOWED AND PROVIDED, FURTHER, THAT IF THE TAXPAYER WAS NOT SUBJECT TO TAX AND DID NOT HAVE A TAXABLE YEAR IMMEDIATELY PRECEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER SUBDIVISION TWELVE-H OF THIS SECTION IS ALLOWED, THE CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL BE ALLOWED IF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED IN SUCH ACADEMIC COLLABORATIVE DISTRICT IN SUCH TAXABLE YEAR IS AT LEAST ONE HUNDRED ONE PERCENT OF THE AVERAGE NUMBER OF SUCH EMPLOYEES DURING THE TAXABLE YEAR IN WHICH THE CREDIT UNDER SUCH SUBDIVISION TWELVE-H IS ALLOWED.

(B) THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED IN AN ACADEMIC COLLABORATIVE DISTRICT, OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, IN A TAXABLE YEAR SHALL BE COMPUTED BY ASCERTAINING THE NUMBER OF SUCH EMPLOYEES WITHIN SUCH DISTRICT, OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, EXCEPT GENERAL EXECUTIVE OFFICERS, EMPLOYED BY THE TAXPAYER ON THE THIRTY-FIRST DAY OF MARCH, THE THIRTIETH DAY OF JUNE, THE THIRTIETH DAY OF SEPTEMBER AND THE THIRTY-FIRST DAY OF DECEMBER IN THE TAXABLE YEAR, BY ADDING TOGETHER THE NUMBER OF EMPLOYEES ASCERTAINED ON EACH OF SUCH DATES AND DIVIDING THE SUM SO OBTAINED BY THE NUMBER OF SUCH ABOVE-MENTIONED DATES OCCURRING WITHIN THE TAXABLE YEAR. FOR THE PURPOSES OF THIS SUBDIVISION, THE TERM "EMPLOYEES" AND THE TERM "GENERAL EXECUTIVE OFFICERS" SHALL MEAN THE SAME AS IN SUBPARAGRAPH THREE OF PARAGRAPH (A) OF SUBDIVISION THREE OF THIS SECTION.

(C) IN NO EVENT SHALL THE CREDIT HEREIN PROVIDED FOR BE ALLOWED IN AN AMOUNT WHICH WILL REDUCE THE TAX PAYABLE TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF THIS SECTION. PROVIDED, HOWEVER, THAT IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBDIVISION 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 FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 5. Section 606 of the tax law is amended by adding four new subsections (l-1), (l-2), (l-3) and (l-4) to read as follows:

(L-1) ACADEMIC COLLABORATIVE DISTRICT INVESTMENT TAX CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE WHERE THE TAXPAYER HAS BEEN CERTIFIED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW. THE AMOUNT OF SUCH CREDIT SHALL BE EIGHT PERCENT OF THE COST OR OTHER BASIS FOR FEDERAL INCOME TAX PURPOSES OF TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS, DESCRIBED IN PARAGRAPH TWO OF THIS SUBSECTION, WHICH IS LOCATED WITHIN AN ACADEMIC COLLABORATIVE DISTRICT DESIGNATED AS SUCH PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, BUT ONLY IF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION OF

SUCH PROPERTY OCCURRED OR WAS COMMENCED ON OR AFTER THE DATE OF SUCH DESIGNATION AND PRIOR TO THE EXPIRATION THEREOF. PROVIDED, HOWEVER, THAT IN THE CASE OF AN ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION WHICH WAS COMMENCED DURING SUCH PERIOD AND CONTINUED OR COMPLETED SUBSEQUENTLY, THE CREDIT SHALL BE EIGHT PERCENT OF THE PORTION OF THE COST OR OTHER BASIS FOR FEDERAL INCOME TAX PURPOSES ATTRIBUTABLE TO SUCH PERIOD, WHICH PORTION SHALL BE ASCERTAINED BY MULTIPLYING SUCH COST OR BASIS BY A FRACTION THE NUMERATOR OF WHICH SHALL BE THE EXPENDITURES PAID OR INCURRED DURING SUCH PERIOD FOR SUCH PURPOSES AND THE DENOMINATOR OF WHICH SHALL BE THE TOTAL OF ALL EXPENDITURES PAID OR INCURRED FOR SUCH ACQUISITION, CONSTRUCTION, RECONSTRUCTION OR ERECTION.

(2) A CREDIT SHALL BE ALLOWED UNDER THIS SUBSECTION WITH RESPECT TO TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS WHICH: (A) ARE DEPRECIABLE PURSUANT TO SECTION ONE HUNDRED SIXTY-SEVEN OF THE INTERNAL REVENUE CODE, (B) HAVE A USEFUL LIFE OF FOUR YEARS OR MORE, (C) ARE ACQUIRED BY PURCHASE AS DEFINED IN SECTION ONE HUNDRED SEVENTY-NINE (D) OF THE INTERNAL REVENUE CODE, (D) HAVE A SITUS IN AN ACADEMIC COLLABORATIVE DISTRICT DESIGNATED AS SUCH PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND (E) ARE (I) PRINCIPALLY USED BY THE TAXPAYER IN THE PRODUCTION OF GOODS BY MANUFACTURING, PROCESSING, ASSEMBLING, REFINING, MINING, EXTRACTING, FARMING, AGRICULTURE, HORTICULTURE, FLORICULTURE, VITICULTURE OR COMMERCIAL FISHING, (II) INDUSTRIAL WASTE TREATMENT FACILITIES OR AIR POLLUTION CONTROL FACILITIES USED IN THE TAXPAYER'S TRADE OR BUSINESS, (III) RESEARCH AND DEVELOPMENT PROPERTY, (IV) PRINCIPALLY USED IN THE ORDINARY COURSE OF THE TAXPAYER'S TRADE OR BUSINESS AS A BROKER OR DEALER IN CONNECTION WITH THE PURCHASE OR SALE (WHICH SHALL INCLUDE BUT NOT BE LIMITED TO THE ISSUANCE, ENTERING INTO, ASSUMPTION, OFFSET, ASSIGNMENT, TERMINATION, OR TRANSFER) OF STOCKS, BONDS OR OTHER SECURITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (C)(2) OF THE INTERNAL REVENUE CODE, OR OF COMMODITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (E) OF THE INTERNAL REVENUE CODE, OR (V) PRINCIPALLY USED IN THE ORDINARY COURSE OF THE TAXPAYER'S TRADE OR BUSINESS OF PROVIDING INVESTMENT ADVISORY SERVICES FOR A REGULATED INVESTMENT COMPANY AS DEFINED IN SECTION EIGHT HUNDRED FIFTY-ONE OF THE INTERNAL REVENUE CODE, OR LENDING, LOAN ARRANGEMENT OR LOAN ORIGINATION SERVICES TO CUSTOMERS IN CONNECTION WITH THE PURCHASE OR SALE (WHICH SHALL INCLUDE BUT NOT BE LIMITED TO THE ISSUANCE, ENTERING INTO, ASSUMPTION, OFFSET, ASSIGNMENT, TERMINATION, OR TRANSFER) OF SECURITIES AS DEFINED IN SECTION FOUR HUNDRED SEVENTY-FIVE (C)(2) OF THE INTERNAL REVENUE CODE. FOR PURPOSES OF CLAUSES (IV) AND (V) OF THIS SUBPARAGRAPH, PROPERTY PURCHASED BY A TAXPAYER AFFILIATED WITH A REGULATED BROKER OR DEALER IS ALLOWED A CREDIT UNDER THIS SUBSECTION IF THE PROPERTY IS USED BY ITS AFFILIATED REGULATED BROKER OR DEALER IN ACCORDANCE WITH THIS SUBSECTION. PROVIDED, HOWEVER, A TAXPAYER SHALL NOT BE ALLOWED THE CREDIT PROVIDED BY CLAUSES (IV) AND (V) OF THIS SUBPARAGRAPH UNLESS ALL OR A SUBSTANTIAL PORTION OF THE EMPLOYEES PERFORMING THE ADMINISTRATIVE AND SUPPORT FUNCTIONS RESULTING FROM OR RELATED TO THE QUALIFYING USES OF SUCH EQUIPMENT ARE LOCATED IN THIS STATE. FOR PURPOSES OF THIS SUBSECTION, THE TERM "GOODS" SHALL NOT INCLUDE ELECTRICITY. FOR PURPOSES OF THIS PARAGRAPH, MANUFACTURING SHALL MEAN THE PROCESS OF WORKING RAW MATERIALS INTO WARES SUITABLE FOR USE OR WHICH GIVES NEW SHAPES, NEW QUALITY OR NEW COMBINATION TO MATTER WHICH ALREADY HAS GONE THROUGH SOME ARTIFICIAL PROCESS BY THE USE OF MACHINERY, TOOLS, APPLIANCES AND OTHER SIMILAR EQUIPMENT. PROPERTY USED IN THE PRODUCTION OF GOODS SHALL INCLUDE MACHINERY, EQUIPMENT OR OTHER TANGIBLE PROPERTY WHICH IS PRINCI-

PALLY USED IN THE REPAIR AND SERVICE OF OTHER MACHINERY, EQUIPMENT OR OTHER TANGIBLE PROPERTY USED PRINCIPALLY IN THE PRODUCTION OF GOODS AND SHALL INCLUDE ALL FACILITIES USED IN THE PRODUCTION OPERATION, INCLUDING STORAGE OF MATERIAL TO BE USED IN PRODUCTION AND OF THE PRODUCTS THAT ARE PRODUCED. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "RESEARCH AND DEVELOPMENT PROPERTY", "INDUSTRIAL WASTE TREATMENT FACILITIES", AND "AIR POLLUTION CONTROL FACILITIES" SHALL HAVE THE MEANINGS ASCRIBED THERETO BY CLAUSES (II), (III) AND (IV), RESPECTIVELY, OF SUBPARAGRAPH (B) OF PARAGRAPH TWO OF SUBSECTION (A) OF THIS SECTION, AND THE PROVISIONS OF SUBPARAGRAPH (C) OF SUCH PARAGRAPH TWO SHALL APPLY.

(3) A TAXPAYER SHALL NOT BE ALLOWED A CREDIT UNDER THIS SUBSECTION WITH RESPECT TO ANY TANGIBLE PERSONAL PROPERTY AND OTHER TANGIBLE PROPERTY, INCLUDING BUILDINGS AND STRUCTURAL COMPONENTS OF BUILDINGS, WHICH IT LEASES TO ANY OTHER PERSON OR CORPORATION EXCEPT WHERE A TAXPAYER LEASES PROPERTY TO AN AFFILIATED REGULATED BROKER OR DEALER THAT USES SUCH PROPERTY IN ACCORDANCE WITH CLAUSE (IV) OR (V) OF SUBPARAGRAPH (E) OF PARAGRAPH TWO OF THIS SUBSECTION. FOR PURPOSES OF THE PRECEDING SENTENCE, ANY CONTRACT OR AGREEMENT TO LEASE OR RENT OR FOR A LICENSE TO USE SUCH PROPERTY SHALL BE CONSIDERED A LEASE. PROVIDED, HOWEVER, IN DETERMINING WHETHER A TAXPAYER SHALL BE ALLOWED A CREDIT UNDER THIS SUBSECTION WITH RESPECT TO SUCH PROPERTY, ANY ELECTION MADE WITH RESPECT TO SUCH PROPERTY PURSUANT TO THE PROVISIONS OF PARAGRAPH EIGHT OF SUBSECTION (F) OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE, AS SUCH PARAGRAPH WAS IN EFFECT FOR AGREEMENTS ENTERED INTO PRIOR TO JANUARY FIRST, NINETEEN HUNDRED EIGHTY-FOUR, SHALL BE DISREGARDED.

(4) IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS. IN LIEU OF CARRYING OVER ANY SUCH EXCESS, A TAXPAYER WHO QUALIFIES AS AN OWNER OF A NEW BUSINESS FOR PURPOSES OF PARAGRAPH TEN OF SUBSECTION (A) OF THIS SECTION MAY, AT HIS OPTION, RECEIVE FIFTY PERCENT OF SUCH EXCESS AS A REFUND. ANY REFUND PAID PURSUANT TO THIS PARAGRAPH SHALL BE DEEMED TO BE A REFUND OF AN OVERPAYMENT OF TAX AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

(5) AT THE OPTION OF THE TAXPAYER, AIR OR WATER POLLUTION CONTROL FACILITIES WHICH QUALIFY FOR ELECTIVE MODIFICATIONS UNDER SUBSECTION (H) OF SECTION SIX HUNDRED TWELVE, OR RESEARCH AND DEVELOPMENT FACILITIES WHICH QUALIFY FOR ELECTIVE MODIFICATION UNDER PARAGRAPHS THREE AND FOUR OF SUBSECTION (G) OF SECTION SIX HUNDRED TWELVE, OR PROPERTY WHICH QUALIFIES FOR THE CREDIT PROVIDED UNDER SUBSECTION (A) OR (H) OF THIS SECTION MAY BE TREATED AS PROPERTY PRINCIPALLY USED BY THE TAXPAYER IN THE PRODUCTION OF GOODS BY MANUFACTURING, PROCESSING, ASSEMBLING, MINING, REFINING, EXTRACTING, FARMING, AGRICULTURE, HORTICULTURE, FLORICULTURE, VITICULTURE, OR COMMERCIAL FISHING, PROVIDED THE PROPERTY OTHERWISE QUALIFIES UNDER PARAGRAPH TWO OF THIS SUBSECTION, IN WHICH EVENT A DEDUCTION SHALL NOT BE ALLOWED UNDER SUBSECTION (H) OR PARAGRAPHS THREE AND FOUR OF SUBSECTION (G) OF SECTION SIX HUNDRED TWELVE AND A CREDIT SHALL NOT BE ALLOWED UNDER SUBSECTION (A) OR (H) OF THIS SECTION.

(6) (A) WITH RESPECT TO PROPERTY WHICH IS DEPRECIABLE PURSUANT TO SECTION ONE HUNDRED SIXTY-SEVEN OF THE INTERNAL REVENUE CODE BUT IS NOT SUBJECT TO THE PROVISIONS OF SECTION ONE HUNDRED SIXTY-EIGHT OF SUCH CODE AND WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE

AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SECTION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE MONTHS OF USEFUL LIFE. IF THE PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF ITS USEFUL LIFE, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. PROVIDED, HOWEVER, IF SUCH PROPERTY IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE AFTER IT HAS BEEN IN QUALIFIED USE FOR MORE THAN TWELVE CONSECUTIVE YEARS, IT SHALL NOT BE NECESSARY TO ADD BACK THE CREDIT AS PROVIDED IN THIS SUBSECTION. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE MONTHS OF USEFUL LIFE. FOR PURPOSES OF THIS SUBSECTION, USEFUL LIFE OF PROPERTY SHALL BE THE SAME AS THE TAXPAYER USES FOR DEPRECIATION PURPOSES WHEN COMPUTING HIS FEDERAL INCOME TAX LIABILITY.

(B) EXCEPT WITH RESPECT TO THAT PROPERTY TO WHICH SUBPARAGRAPH (D) OF THIS PARAGRAPH APPLIES, WITH RESPECT TO THREE-YEAR PROPERTY, AS DEFINED IN SUBSECTION (E) OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE, WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBSECTION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THIRTY-SIX. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THIRTY-SIX MONTHS, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THIRTY-SIX.

(C) EXCEPT WITH RESPECT TO THAT PROPERTY TO WHICH SUBPARAGRAPH (D) OF THIS PARAGRAPH APPLIES, WITH RESPECT TO PROPERTY SUBJECT TO THE PROVISIONS OF SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE OTHER THAN THREE-YEAR PROPERTY AS DEFINED IN SUBSECTION (E) OF SUCH SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBSECTION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO SIXTY. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF SIXTY MONTHS, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO SIXTY.

(D) WITH RESPECT TO ANY PROPERTY TO WHICH SECTION ONE HUNDRED SIXTY-EIGHT OF THE INTERNAL REVENUE CODE APPLIES, WHICH IS A BUILDING OR A STRUCTURAL COMPONENT OF A BUILDING AND WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE TAXABLE YEAR IN WHICH THE CREDIT IS TO BE TAKEN, THE AMOUNT OF THE CREDIT SHALL BE THAT PORTION OF THE CREDIT PROVIDED FOR IN THIS SUBSECTION WHICH REPRESENTS THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE TOTAL NUMBER OF MONTHS OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE. IF PROPERTY ON WHICH CREDIT HAS BEEN TAKEN IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE PRIOR TO THE END OF THE PERIOD OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE, THE DIFFERENCE BETWEEN THE CREDIT TAKEN AND THE CREDIT

ALLOWED FOR ACTUAL USE MUST BE ADDED BACK IN THE YEAR OF DISPOSITION. PROVIDED, HOWEVER, IF SUCH PROPERTY IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE AFTER IT HAS BEEN IN QUALIFIED USE FOR MORE THAN TWELVE CONSECUTIVE YEARS, IT SHALL NOT BE NECESSARY TO ADD BACK THE CREDIT AS PROVIDED IN THIS SUBPARAGRAPH. THE AMOUNT OF CREDIT ALLOWED FOR ACTUAL USE SHALL BE DETERMINED BY MULTIPLYING THE ORIGINAL CREDIT BY THE RATIO WHICH THE MONTHS OF QUALIFIED USE BEAR TO THE TOTAL NUMBER OF MONTHS OVER WHICH THE TAXPAYER CHOOSES TO DEDUCT THE PROPERTY UNDER THE INTERNAL REVENUE CODE.

(E) FOR PURPOSES OF THIS PARAGRAPH, DISPOSAL OR CESSATION OF QUALIFIED USE SHALL NOT BE DEEMED TO HAVE OCCURRED SOLELY BY REASON OF THE TERMINATION OR EXPIRATION OF AN ACADEMIC COLLABORATIVE DISTRICT'S DESIGNATION AS SUCH.

(F)(I) FOR PURPOSES OF THIS PARAGRAPH, THE DECERTIFICATION OF A BUSINESS ENTERPRISE WITH RESPECT TO A DISTRICT SHALL CONSTITUTE A DISPOSAL OR CESSATION OF QUALIFIED USE OF THE PROPERTY ON WHICH THE CREDIT WAS TAKEN WHICH IS LOCATED IN THE DISTRICT TO WHICH THE DECERTIFICATION APPLIES, ON THE EFFECTIVE DATE OF SUCH DECERTIFICATION.

(II) WHERE A BUSINESS ENTERPRISE HAS BEEN DECERTIFIED THE AMOUNT REQUIRED TO BE ADDED BACK BY REASON OF THIS PARAGRAPH SHALL BE AUGMENTED BY AN AMOUNT EQUAL TO THE PRODUCT OF THE AMOUNT OF CREDIT, WITH RESPECT TO PROPERTY WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE, WHICH WAS DEDUCTED FROM THE TAXPAYER'S TAX OTHERWISE DUE UNDER THIS ARTICLE FOR ALL PRIOR TAXABLE YEARS (SUBJECT TO THE LIMIT SET FORTH IN THIS SUBPARAGRAPH) AND THE UNDERPAYMENT RATE OF INTEREST (WITHOUT REGARD TO COMPOUNDING) SET BY THE COMMISSIONER OF TAXATION AND FINANCE PURSUANT TO SUBSECTION (J) OF SECTION SIX HUNDRED NINETY-SEVEN OF THIS ARTICLE, IN EFFECT ON THE LAST DAY OF THE TAXABLE YEAR. THE LIMIT SHALL BE (I) THE AMOUNT OF CREDIT, WITH RESPECT TO THE PROPERTY WHICH IS DISPOSED OF OR CEASES TO BE IN QUALIFIED USE, WHICH WAS DEDUCTED FROM THE TAXPAYER'S TAX OTHERWISE DUE UNDER THIS ARTICLE FOR ALL PRIOR TAXABLE YEARS, REDUCED (BUT NOT BELOW ZERO) BY (II) THE CREDIT ALLOWED FOR ACTUAL USE. FOR PURPOSES OF THIS SUBPARAGRAPH, THE ATTRIBUTION TO SPECIFIC PROPERTY OF CREDIT AMOUNT DEDUCTED FROM TAX SHALL BE ESTABLISHED IN ACCORDANCE WITH THE DATE OF PLACEMENT IN SERVICE OF SUCH PROPERTY IN THE ACADEMIC COLLABORATIVE DISTRICT.

(III) IN NO EVENT SHALL THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS SUBSECTION BE RENDERED, SOLELY BY REASON OF CLAUSE (I) OF THIS SUBPARAGRAPH, LESS THAN THE AMOUNT OF THE CREDIT TO WHICH THE TAXPAYER WOULD OTHERWISE BE ENTITLED UNDER SUBSECTION (A) OF THIS SECTION.

(IV) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION, IN THE CASE OF A BUSINESS ENTERPRISE WHICH HAS BEEN DECERTIFIED, ANY AMOUNT OF CREDIT ALLOWED WITH RESPECT TO THE PROPERTY OF SUCH BUSINESS ENTERPRISE LOCATED IN THE DISTRICT TO WHICH THE DECERTIFICATION APPLIES WHICH IS CARRIED OVER PURSUANT TO PARAGRAPH FOUR OF THIS SUBSECTION SHALL NOT BE CARRIED OVER BEYOND THE SEVENTH TAXABLE YEAR NEXT FOLLOWING THE TAXABLE YEAR WITH RESPECT TO WHICH THE CREDIT PROVIDED FOR IN THIS SUBSECTION WAS ALLOWED.

(G) FOR PURPOSES OF THIS PARAGRAPH, WHERE A CREDIT IS ALLOWED WITH RESPECT TO AN AIR POLLUTION CONTROL FACILITY ON THE BASIS OF A CERTIFICATE OF COMPLIANCE ISSUED PURSUANT TO THE ENVIRONMENTAL CONSERVATION LAW AND THE CERTIFICATE IS REVOKED PURSUANT TO SUBDIVISION THREE OF SECTION 19-0309 OF THE ENVIRONMENTAL CONSERVATION LAW, SUCH REVOCATION SHALL CONSTITUTE A DISPOSAL OR CESSATION OF QUALIFIED USE, EXCEPT WITH RESPECT TO PROPERTY CONTAINED IN OR COMPRISING SUCH FACILITY WHICH IS DESCRIBED IN CLAUSE (I), (II) OR (III) OF SUBPARAGRAPH (E) OF PARAGRAPH

TWO OF THIS SUBSECTION OTHER THAN AS PART OF OR COMPRISING AN AIR POLLUTION CONTROL FACILITY. ALSO FOR PURPOSES OF THIS PARAGRAPH, THE USE OF AN AIR POLLUTION CONTROL FACILITY OR AN INDUSTRIAL WASTE TREATMENT FACILITY FOR THE PRIMARY PURPOSE OF SALVAGING MATERIALS WHICH ARE USABLE IN THE MANUFACTURING PROCESS OR ARE MARKETABLE SHALL CONSTITUTE A CESSATION OF QUALIFIED USE, EXCEPT WITH RESPECT TO PROPERTY CONTAINED IN OR COMPRISING SUCH FACILITY WHICH IS DESCRIBED IN CLAUSE (I) OR (III) OF SUBPARAGRAPH (E) OF PARAGRAPH TWO OF THIS SUBSECTION.

(L-2) ACADEMIC COLLABORATIVE DISTRICT EMPLOYMENT INCENTIVE CREDIT. (1) WHERE A TAXPAYER IS ALLOWED A CREDIT UNDER SUBSECTION (L-1) OF THIS SECTION, THE TAXPAYER SHALL BE ALLOWED A CREDIT FOR EACH OF THE THREE YEARS NEXT SUCCEEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER SUCH SUBSECTION (L-1) IS ALLOWED, WITH RESPECT TO SUCH PROPERTY, WHETHER OR NOT DEDUCTIBLE IN SUCH TAXABLE YEAR OR IN SUBSEQUENT TAXABLE YEARS PURSUANT TO PARAGRAPH FOUR OF SUBSECTION (L-1) OF THIS SECTION, OF THIRTY PERCENT OF THE CREDIT ALLOWABLE UNDER SUCH SUBSECTION (L-1); PROVIDED, HOWEVER, THAT THE CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL ONLY BE ALLOWED IF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED BY THE TAXPAYER IN THE ACADEMIC COLLABORATIVE DISTRICT, DESIGNATED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, IN WHICH SUCH PROPERTY IS LOCATED DURING SUCH TAXABLE YEAR IS AT LEAST ONE HUNDRED ONE PERCENT OF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED BY THE TAXPAYER IN SUCH ACADEMIC COLLABORATIVE DISTRICT OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, DURING THE TAXABLE YEAR IMMEDIATELY PRECEDING THE TAXABLE YEAR FOR WHICH THE CREDIT UNDER SUCH SUBSECTION (L-1) IS ALLOWED AND PROVIDED, FURTHER, THAT IN THE CASE OF A NEW BUSINESS, THE CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL BE ALLOWED IF THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED IN SUCH ACADEMIC COLLABORATIVE DISTRICT IN SUCH TAXABLE YEAR IS AT LEAST ONE HUNDRED ONE PERCENT OF THE AVERAGE NUMBER OF SUCH EMPLOYEES DURING THE TAXABLE YEAR IN WHICH THE CREDIT UNDER SUCH SUBSECTION (L-1) IS ALLOWED.

(2) THE AVERAGE NUMBER OF EMPLOYEES EMPLOYED IN AN ACADEMIC COLLABORATIVE DISTRICT, OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, IN A TAXABLE YEAR SHALL BE COMPUTED BY ASCERTAINING THE NUMBER OF SUCH EMPLOYEES WITHIN SUCH DISTRICT, OR, WHERE APPLICABLE, IN THE GEOGRAPHIC AREA SUBSEQUENTLY CONSTITUTING SUCH DISTRICT, EMPLOYED BY THE TAXPAYER ON THE THIRTY-FIRST DAY OF MARCH, THE THIRTIETH DAY OF JUNE, THE THIRTIETH DAY OF SEPTEMBER AND THE THIRTY-FIRST DAY OF DECEMBER IN THE TAXABLE YEAR, BY ADDING TOGETHER THE NUMBER OF EMPLOYEES ASCERTAINED IN EACH OF SUCH DATES AND DIVIDING THE SUM SO OBTAINED BY THE NUMBER OF SUCH ABOVEMENTIONED DATES OCCURRING WITHIN THE TAXABLE YEAR.

(3) IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS. IN LIEU OF CARRYING OVER ANY SUCH EXCESS, A TAXPAYER WHO QUALIFIED AS AN OWNER OF A NEW BUSINESS FOR PURPOSES OF PARAGRAPH TEN OF SUBSECTION (A) OF THIS SECTION MAY, AT HIS OPTION, RECEIVE FIFTY PERCENT OF SUCH EXCESS AS A REFUND. ANY REFUND PAID PURSUANT TO THIS PARAGRAPH SHALL BE DEEMED TO BE A REFUND OF AN OVERPAYMENT OF TAX AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

(L-3) ACADEMIC COLLABORATIVE DISTRICT WAGE TAX CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE, WHERE THE TAXPAYER HAS BEEN

CERTIFIED PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW. THE AMOUNT OF SUCH CREDIT SHALL BE AS PRESCRIBED IN PARAGRAPH FOUR OF THIS SUBSECTION.

(2) FOR THE PURPOSES OF THIS SUBSECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS: (A) "ACADEMIC COLLABORATIVE DISTRICT WAGES" MEANS WAGES PAID BY THE TAXPAYER FOR FULL-TIME EMPLOYMENT DURING THE TAXABLE YEAR, IN AN AREA DESIGNATED OR PREVIOUSLY DESIGNATED AS AN ACADEMIC COLLABORATIVE DISTRICT OR DISTRICT EQUIVALENT AREA PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, WHERE SUCH EMPLOYMENT IS IN A JOB CREATED IN THE AREA (I) DURING THE PERIOD OF ITS DESIGNATION AS AN ACADEMIC COLLABORATIVE DISTRICT, (II) WITHIN FOUR YEARS OF THE EXPIRATION OF SUCH DESIGNATION, OR (III) DURING THE TEN YEAR PERIOD IMMEDIATELY FOLLOWING THE DATE OF DESIGNATION AS A COLLEGE DISTRICT EQUIVALENT AREA, PROVIDED, HOWEVER, THAT IF THE TAXPAYER'S CERTIFICATION UNDER ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW IS REVOKED WITH RESPECT TO AN ACADEMIC COLLABORATIVE DISTRICT OR DISTRICT EQUIVALENT AREA, ANY WAGES PAID BY THE TAXPAYER, ON OR AFTER THE EFFECTIVE DATE OF SUCH DECERTIFICATION, FOR EMPLOYMENT IN SUCH DISTRICT SHALL NOT CONSTITUTE ACADEMIC COLLABORATIVE DISTRICT WAGES.

(B) "TARGETED EMPLOYEE" MEANS A NEW YORK RESIDENT WHO RECEIVES ACADEMIC COLLABORATIVE DISTRICT WAGES AND WHO IS (I) AN ELIGIBLE INDIVIDUAL UNDER THE PROVISIONS OF THE TARGETED JOBS TAX CREDIT (SECTION FIFTY-ONE OF THE INTERNAL REVENUE CODE), (II) ELIGIBLE FOR BENEFITS UNDER THE PROVISIONS OF THE JOB TRAINING PARTNERSHIP ACT (P.L. 97-300, AS AMENDED), (III) A RECIPIENT OF PUBLIC ASSISTANCE BENEFITS OR (IV) AN INDIVIDUAL WHOSE INCOME IS BELOW THE MOST RECENTLY ESTABLISHED POVERTY RATE PROMULGATED BY THE UNITED STATES DEPARTMENT OF COMMERCE, OR A MEMBER OF A FAMILY WHOSE FAMILY INCOME IS BELOW THE MOST RECENTLY ESTABLISHED POVERTY RATE PROMULGATED BY THE APPROPRIATE FEDERAL AGENCY.

AN INDIVIDUAL WHO SATISFIES THE CRITERIA SET FORTH IN CLAUSE (I), (II) OR (IV) OF THIS SUBPARAGRAPH AT THE TIME OF INITIAL EMPLOYMENT IN THE JOB WITH RESPECT TO WHICH THE CREDIT IS CLAIMED, OR WHO SATISFIES THE CRITERION SET FORTH IN CLAUSE (III) OF THIS SUBPARAGRAPH AT SUCH TIME OR AT ANY TIME WITHIN THE PREVIOUS TWO YEARS, SHALL BE A TARGETED EMPLOYEE SO LONG AS SUCH INDIVIDUAL CONTINUES TO RECEIVE ACADEMIC COLLABORATIVE DISTRICT WAGES.

(C) "AVERAGE NUMBER OF INDIVIDUALS EMPLOYED FULL-TIME" SHALL BE COMPUTED BY ASCERTAINING THE NUMBER OF SUCH INDIVIDUALS EMPLOYED BY THE TAXPAYER ON THE THIRTY-FIRST DAY OF MARCH, THE THIRTIETH DAY OF JUNE, THE THIRTIETH DAY OF SEPTEMBER AND THE THIRTY-FIRST DAY OF DECEMBER DURING EACH TAXABLE YEAR OR OTHER APPLICABLE PERIOD, BY ADDING TOGETHER THE NUMBER OF SUCH INDIVIDUALS ASCERTAINED ON EACH OF SUCH DATES AND DIVIDING THE SUM SO OBTAINED BY THE NUMBER OF SUCH DATES OCCURRING WITHIN SUCH TAXABLE YEAR OR OTHER APPLICABLE PERIOD.

(3) THE CREDIT PROVIDED FOR HEREIN SHALL BE ALLOWED ONLY WHERE THE AVERAGE NUMBER OF INDIVIDUALS EMPLOYED FULL-TIME BY THE TAXPAYER IN (I) THE STATE AND (II) THE ACADEMIC COLLABORATIVE DISTRICT OR AREA PREVIOUSLY CONSTITUTING SUCH DISTRICT OR DISTRICT EQUIVALENT AREA, DURING THE TAXABLE YEAR EXCEEDS THE AVERAGE NUMBER OF SUCH INDIVIDUALS EMPLOYED FULL-TIME BY THE TAXPAYER IN (I) THE STATE AND (II) SUCH DISTRICT OR AREA SUBSEQUENTLY OR PREVIOUSLY CONSTITUTING SUCH DISTRICT OR SUCH DISTRICT EQUIVALENT AREA, RESPECTIVELY, DURING THE FOUR YEARS IMMEDIATELY PRECEDING THE FIRST TAXABLE YEAR IN WHICH THE CREDIT IS CLAIMED WITH RESPECT TO SUCH DISTRICT OR AREA. WHERE THE TAXPAYER PROVIDED FULL-TIME EMPLOYMENT WITHIN (I) THE STATE OR (II) SUCH DISTRICT OR AREA DURING ONLY A PORTION OF SUCH FOUR-YEAR PERIOD, THEN FOR PURPOSES OF THIS PARA-

GRAPH THE TERM "FOUR YEARS" SHALL BE DEEMED TO REFER INSTEAD TO SUCH PORTION, IF ANY.

THE CREDIT SHALL BE ALLOWED ONLY WITH RESPECT TO THE FIRST TAXABLE YEAR DURING WHICH PAYMENTS OF ACADEMIC COLLABORATIVE DISTRICT WAGES ARE MADE AND THE CONDITIONS SET FORTH IN THIS PARAGRAPH ARE SATISFIED, AND WITH RESPECT TO EACH OF THE FOUR TAXABLE YEARS NEXT FOLLOWING (BUT ONLY, WITH RESPECT TO EACH OF SUCH YEARS, IF SUCH CONDITIONS ARE SATISFIED), IN ACCORDANCE WITH PARAGRAPH FOUR OF THIS SUBSECTION. SUBSEQUENT CERTIFICATIONS OF THE TAXPAYER PURSUANT TO ARTICLE SEVENTEEN OF THE ECONOMIC DEVELOPMENT LAW, AT THE SAME OR A DIFFERENT LOCATION IN THE SAME ACADEMIC COLLABORATIVE DISTRICT OR DISTRICT EQUIVALENT AREA OR AT A LOCATION IN A DIFFERENT ACADEMIC COLLABORATIVE DISTRICT OR DISTRICT EQUIVALENT AREA, SHALL NOT EXTEND THE FIVE TAXABLE YEAR TIME LIMITATION ON THE ALLOWANCE OF THE CREDIT SET FORTH IN THE PRECEDING SENTENCE. PROVIDED, FURTHER, HOWEVER, THAT NO CREDIT SHALL BE ALLOWED WITH RESPECT TO ANY TAXABLE YEAR BEGINNING MORE THAN FOUR YEARS FOLLOWING THE TAXABLE YEAR IN WHICH DESIGNATION AS AN ACADEMIC COLLABORATIVE DISTRICT EXPIRED OR MORE THAN TEN YEARS AFTER THE DESIGNATION AS A DISTRICT EQUIVALENT AREA.

(4) THE AMOUNT OF THE CREDIT SHALL EQUAL THE SUM OF

(I) THE PRODUCT OF THREE THOUSAND DOLLARS AND THE AVERAGE NUMBER OF INDIVIDUALS EMPLOYED FULL-TIME BY THE TAXPAYER, COMPUTED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (C) OF PARAGRAPH TWO OF THIS SUBSECTION, WHO

(I) RECEIVED ACADEMIC COLLABORATIVE DISTRICT WAGES FOR MORE THAN HALF OF THE TAXABLE YEAR,

(II) RECEIVED WITH RESPECT TO MORE THAN HALF OF THE PERIOD OF EMPLOYMENT BY THE TAXPAYER DURING THE TAXABLE YEAR, AN HOURLY WAGE WHICH WAS AT LEAST ONE HUNDRED THIRTY-FIVE PERCENT OF THE MINIMUM WAGE SPECIFIED IN SECTION SIX HUNDRED FIFTY-TWO OF THE LABOR LAW, AND

(III) ARE TARGETED EMPLOYEES; AND

(II) THE PRODUCT OF FIFTEEN HUNDRED DOLLARS AND THE AVERAGE NUMBER OF INDIVIDUALS (EXCLUDING INDIVIDUALS DESCRIBED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH) EMPLOYED FULL-TIME BY THE TAXPAYER, COMPUTED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (C) OF PARAGRAPH TWO OF THIS SUBSECTION, WHO RECEIVED DISTRICT WAGES FOR MORE THAN HALF OF THE TAXABLE YEAR.

PROVIDED, FURTHER, HOWEVER, THAT THE CREDIT PROVIDED FOR HEREIN WITH RESPECT TO THE TAXABLE YEAR, AND CARRYOVERS OF SUCH CREDIT TO THE TAXABLE YEAR, DEDUCTED FROM THE TAX OTHERWISE DUE, MAY NOT, IN THE AGGREGATE, EXCEED FIFTY PERCENT OF THE TAX IMPOSED UNDER SECTION SIX HUNDRED ONE OF THIS PART COMPUTED WITHOUT REGARD TO ANY CREDIT PROVIDED FOR UNDER THIS ARTICLE.

(III) FOR PURPOSES OF CALCULATING THE AMOUNT OF THE CREDIT, INDIVIDUALS EMPLOYED WITHIN AN ACADEMIC COLLABORATIVE DISTRICT OR DISTRICT EQUIVALENT AREA WITHIN THE IMMEDIATELY PRECEDING SIXTY MONTHS BY A RELATED PERSON, AS SUCH TERM IS DEFINED IN SUBPARAGRAPH (C) OF PARAGRAPH THREE OF SUBSECTION (B) OF SECTION FOUR HUNDRED SIXTY-FIVE OF THE INTERNAL REVENUE CODE, SHALL NOT BE INCLUDED IN THE AVERAGE NUMBER OF INDIVIDUALS DESCRIBED IN SUBPARAGRAPH (I) OR SUBPARAGRAPH (II) OF THIS PARAGRAPH, UNLESS SUCH RELATED PERSON WAS NEVER ALLOWED A CREDIT UNDER THIS SUBSECTION WITH RESPECT TO SUCH EMPLOYEES.

(5) IF THE AMOUNT OF THE CREDIT AND CARRYOVERS OF SUCH CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS, AS WELL AS ANY PART OF THE CREDIT OR CARRYOVERS OF SUCH CREDIT, OR BOTH, WHICH MAY NOT BE DEDUCTED FROM THE TAX OTHERWISE DUE BY REASON OF THE FINAL SENTENCE IN PARAGRAPH FOUR OF THIS SUBSECTION, MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS. IN LIEU

OF CARRYING OVER ANY SUCH EXCESS, A TAXPAYER WHO QUALIFIES AS AN OWNER OF A NEW BUSINESS FOR PURPOSES OF PARAGRAPH TEN OF SUBSECTION (A) OF THIS SECTION MAY, AT HIS OPTION, RECEIVE FIFTY PERCENT OF SUCH EXCESS AS A REFUND. ANY REFUND PAID PURSUANT TO THIS PARAGRAPH SHALL BE DEEMED TO BE A REFUND OF AN OVERPAYMENT OF TAX AS PROVIDED IN SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

(L-4) ACADEMIC COLLABORATIVE DISTRICT CAPITAL TAX CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO TWENTY-FIVE PERCENT OF THE SUM OF THE FOLLOWING INVESTMENTS AND CONTRIBUTIONS MADE DURING THE TAXABLE YEAR AND CERTIFIED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT: (A) QUALIFIED INVESTMENTS MADE IN, OR CONTRIBUTIONS IN THE FORM OF DONATIONS MADE TO, ONE OR MORE ACADEMIC COLLABORATIVE DISTRICT CAPITAL CORPORATIONS ESTABLISHED PURSUANT TO SECTION NINE HUNDRED SIXTY-FOUR OF THE GENERAL MUNICIPAL LAW, (B) QUALIFIED INVESTMENTS IN CERTIFIED DISTRICT BUSINESSES WHICH DURING THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE MONTH IN WHICH SUCH INVESTMENT IS MADE, EMPLOYED FULL-TIME WITHIN THE STATE AN AVERAGE NUMBER OF INDIVIDUALS OF TWO HUNDRED FIFTY OR FEWER, COMPUTED PURSUANT TO THE PROVISIONS OF SUBPARAGRAPH (C) OF PARAGRAPH TWO OF SUBSECTION (K) OF THIS SECTION, EXCEPT FOR INVESTMENTS MADE BY OR ON BEHALF OF AN OWNER OF THE BUSINESS INCLUDING, BUT NOT LIMITED TO, A STOCKHOLDER, PARTNER OR SOLE PROPRIETOR, OR ANY RELATED PERSON, AS DEFINED IN SUBPARAGRAPH (C) OF PARAGRAPH THREE OF SUBSECTION (B) OF SECTION FOUR HUNDRED SIXTY-FIVE OF THE INTERNAL REVENUE CODE, AND (C) CONTRIBUTIONS OF MONEY TO COMMUNITY DEVELOPMENT PROJECTS AS DEFINED IN REGULATIONS PROMULGATED BY THE COMMISSIONER OF ECONOMIC DEVELOPMENT. "QUALIFIED INVESTMENTS" MEANS THE CONTRIBUTION OF PROPERTY TO A CORPORATION IN EXCHANGE FOR ORIGINAL ISSUE CAPITAL STOCK OR OTHER OWNERSHIP INTEREST, THE CONTRIBUTION OF PROPERTY TO A PARTNERSHIP IN EXCHANGE FOR AN INTEREST IN THE PARTNERSHIP, AND SIMILAR CONTRIBUTIONS IN THE CASE OF A BUSINESS ENTITY NOT IN CORPORATE OR PARTNERSHIP FORM IN EXCHANGE FOR AN OWNERSHIP INTEREST IN SUCH ENTITY. THE TOTAL AMOUNT OF CREDIT ALLOWABLE TO A TAXPAYER UNDER THIS PROVISION FOR ALL YEARS, TAKEN IN THE AGGREGATE, SHALL NOT EXCEED THREE HUNDRED THOUSAND DOLLARS, AND SHALL NOT EXCEED ONE HUNDRED THOUSAND DOLLARS WITH RESPECT TO THE INVESTMENTS AND CONTRIBUTIONS DESCRIBED IN EACH OF SUBPARAGRAPHS (A), (B) AND (C) OF THIS PARAGRAPH.

(2) (A) IF THE AMOUNT OF THE CREDIT AND CARRYOVERS OF SUCH CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, OR IF ANY PART OF THE CREDIT OR CARRYOVERS OF SUCH CREDIT MAY NOT BE DEDUCTED FROM THE TAX OTHERWISE DUE BY REASON OF THE FINAL SENTENCE OF THIS SUBPARAGRAPH, ANY AMOUNT OF CREDIT OR CARRYOVERS OF SUCH CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAX FOR SUCH YEAR OR YEARS. IN ADDITION, THE AMOUNT OF SUCH CREDIT, AND CARRYOVERS OF SUCH CREDIT TO THE TAXABLE YEAR, DEDUCTED FROM THE TAX OTHERWISE DUE MAY NOT, IN THE AGGREGATE, EXCEED FIFTY PERCENT OF THE TAX IMPOSED UNDER SECTION SIX HUNDRED ONE OF THIS PART COMPUTED WITHOUT REGARD TO ANY CREDIT PROVIDED FOR BY THIS SECTION.

(B) IN THE CASE OF A HUSBAND OR WIFE WHO IS REQUIRED TO FILE A SEPARATE RETURN, THE LIMITATION PROVIDED FOR IN PARAGRAPH ONE OF THIS SUBSECTION SHALL BE FIFTY THOUSAND DOLLARS IN LIEU OF ONE HUNDRED THOUSAND DOLLARS AND ONE HUNDRED FIFTY THOUSAND DOLLARS IN LIEU OF THREE HUNDRED THOUSAND DOLLARS, UNLESS THE SPOUSE OF THE TAXPAYER HAS NO CRED-

IT ALLOWABLE UNDER THIS SUBSECTION FOR THE TAXABLE YEAR OF SUCH SPOUSE WHICH ENDS WITHIN OR WITH THE TAXPAYER'S TAXABLE YEAR.

(C) IN THE CASE OF AN ESTATE OR TRUST, THE LIMITATION PROVIDED FOR IN PARAGRAPH ONE OF THIS SUBSECTION SHALL BE REDUCED TO AN AMOUNT WHICH BEARS THE SAME RATIO TO ONE HUNDRED THOUSAND DOLLARS AND AN AMOUNT WHICH BEARS THE SAME RATIO TO THREE HUNDRED THOUSAND DOLLARS AS THE PORTION OF THE INCOME OF THE ESTATE OR TRUST WHICH IS NOT ALLOCATED TO BENEFICIARIES BEARS TO THE TOTAL INCOME OF THE ESTATE OR TRUST.

(3) WHERE THE STOCK, PARTNERSHIP INTEREST OR OTHER OWNERSHIP INTEREST ARISING FROM A QUALIFIED INVESTMENT AS DESCRIBED IN SUBPARAGRAPHS (A) AND (B) OF PARAGRAPH ONE OF THIS SUBSECTION IS DISPOSED OF, THE TAXPAYER'S NEW YORK TAXABLE INCOME SHALL BE COMPUTED, PURSUANT TO REGULATIONS PROMULGATED BY THE COMMISSIONER, SO AS TO PROPERLY REFLECT THE REDUCED COST THEREOF ARISING FROM THE APPLICATION OF THE CREDIT PROVIDED FOR HEREIN.

(4) (A) WHERE A TAXPAYER SELLS, TRANSFERS OR OTHERWISE DISPOSES OF CORPORATE STOCK, A PARTNERSHIP INTEREST OR OTHER OWNERSHIP INTEREST ARISING FROM THE MAKING OF A QUALIFIED INVESTMENT WHICH WAS THE BASIS, IN WHOLE OR IN PART, FOR THE ALLOWANCE OF THE CREDIT PROVIDED FOR UNDER THIS SUBSECTION, OR WHERE A CONTRIBUTION OR INVESTMENT WHICH WAS THE BASIS FOR SUCH ALLOWANCE IS IN ANY MANNER, IN WHOLE OR IN PART, RECOVERED BY SUCH TAXPAYER, AND SUCH DISPOSITION OR RECOVERY OCCURS DURING THE TAXABLE YEAR OR WITHIN THIRTY-SIX MONTHS FROM THE CLOSE OF THE TAXABLE YEAR WITH RESPECT TO WHICH SUCH CREDIT IS ALLOWED, SUBPARAGRAPH (B) OF THIS PARAGRAPH SHALL APPLY.

(B) THE TAXPAYER SHALL ADD BACK WITH RESPECT TO THE TAXABLE YEAR IN WHICH THE DISPOSITION OR RECOVERY DESCRIBED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH OCCURRED THE REQUIRED PORTION OF THE CREDIT ORIGINALLY ALLOWED.

(C) THE REQUIRED PORTION OF THE CREDIT ORIGINALLY ALLOWED SHALL BE THE PRODUCT OF (I) THE PORTION OF SUCH CREDIT ATTRIBUTABLE TO THE PROPERTY DISPOSED OF OR THE PAYMENT OR CONTRIBUTION RECOVERED AND (II) THE APPLICABLE PERCENTAGE.

(D) THE APPLICABLE PERCENTAGE SHALL BE:

(I) ONE HUNDRED PERCENT, IF THE DISPOSITION OR RECOVERY OCCURS WITHIN THE TAXABLE YEAR WITH RESPECT TO WHICH THE CREDIT IS ALLOWED OR WITHIN TWELVE MONTHS OF THE END OF SUCH TAXABLE YEAR,

(II) SIXTY-SEVEN PERCENT, IF THE DISPOSITION OR RECOVERY OCCURS MORE THAN TWELVE BUT NOT MORE THAN TWENTY-FOUR MONTHS AFTER THE END OF THE TAXABLE YEAR WITH RESPECT TO WHICH THE CREDIT IS ALLOWED, OR

(III) THIRTY-THREE PERCENT, IF THE DISPOSITION OR RECOVERY OCCURS MORE THAN TWENTY-FOUR BUT NOT MORE THAN THIRTY-SIX MONTHS AFTER THE END OF THE TAXABLE YEAR WITH RESPECT TO WHICH THE CREDIT IS ALLOWED.

S 6. This act shall take effect immediately.