

Extraordinary Session

I N S E N A T E

June 23, 2009

Introduced by COMMITTEE ON RULES -- (at request of the Governor) -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the tax law and the administrative code of the city of New York, in relation to increasing certain sales and compensating use taxes in cities having a population of one million or more persons

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

1 Section 1. Clause 1 of subparagraph (i) of the opening paragraph of
2 section 1210 of the tax law, as amended by section 3 of part SS-1 of
3 chapter 57 of the laws of 2008, is amended to read as follows:
4 (1) [for the period beginning August first, two thousand eight,] any
5 such city having a population of one million or more is hereby author-
6 ized and empowered to adopt and amend local laws, ordinances or resol-
7 utions imposing such taxes in any such city, at the rate of four AND
8 ONE-HALF percent;
9 S 2. Paragraph 4 of subdivision (a) of section 1210 of the tax law, as
10 amended by section 5 of part SS-1 of chapter 57 of the laws of 2008, is
11 amended to read as follows:
12 (4) Notwithstanding any other provision of law to the contrary, any
13 local law enacted by any city of one million or more that imposes the
14 taxes authorized by this subdivision (i) may omit the exception provided
15 in subparagraph (ii) of paragraph three of subdivision (c) of section
16 eleven hundred five of this chapter for receipts from laundering, dry-
17 cleaning, tailoring, weaving, pressing, shoe repairing and shoe shining;
18 (ii) may impose the tax described in paragraph six of subdivision (c) of
19 section eleven hundred five of this chapter at a rate in addition to the
20 rate prescribed by this section not to exceed two percent in multiples
21 of one-half of one percent; (iii) shall provide that the tax described
22 in paragraph six of subdivision (c) of section eleven hundred five of
23 this chapter does not apply to facilities owned and operated by the city

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

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1 or an agency or instrumentality of the city or a public corporation the
2 majority of whose members are appointed by the chief executive officer
3 of the city or the legislative body of the city or both of them; (iv)
4 shall not include any tax on receipts from, or the use of, the services
5 described in paragraph seven of subdivision (c) of section eleven
6 hundred five of this chapter; (v) shall provide that, for purposes of
7 the tax described in subdivision (e) of section eleven hundred five of
8 this chapter, "permanent resident" means any occupant of any room or
9 rooms in a hotel for at least one hundred eighty consecutive days with
10 regard to the period of such occupancy; (vi) may omit the exception
11 provided in paragraph one of subdivision (f) of section eleven hundred
12 five of this chapter for charges to a patron for admission to, or use
13 of, facilities for sporting activities in which the patron is to be a
14 participant, such as bowling alleys and swimming pools; (vii) [shall
15 not] MAY provide the clothing and footwear exemption in paragraph thirty
16 of subdivision (a) of section eleven hundred fifteen of this chapter
17 [but must exempt clothing and footwear and any item used or consumed to
18 make or repair exempt clothing and which becomes a physical component
19 part of that exempt clothing], AND, NOTWITHSTANDING ANY PROVISION OF
20 SUBDIVISION (D) OF THIS SECTION TO THE CONTRARY, ANY LOCAL LAW PROVIDING
21 FOR SUCH EXEMPTION OR REPEALING SUCH EXEMPTION, MAY GO INTO EFFECT ON
22 ANY ONE OF THE FOLLOWING DATES: MARCH FIRST, JUNE FIRST, SEPTEMBER FIRST
23 OR DECEMBER FIRST; (viii) shall omit the exemption provided in paragraph
24 forty-one of subdivision (a) of section eleven hundred fifteen of this
25 chapter; (ix) shall omit the exemption provided in subdivision (c) of
26 section eleven hundred fifteen of this chapter insofar as it applies to
27 fuel, gas, electricity, refrigeration and steam, and gas, electric,
28 refrigeration and steam service of whatever nature for use or consump-
29 tion directly and exclusively in the production of gas, electricity,
30 refrigeration or steam; [and] (x) shall omit, unless such city elects
31 otherwise, the provision for refund or credit contained in clause six of
32 subdivision (a) of section eleven hundred nineteen of this chapter; AND
33 (XI) SHALL PROVIDE THAT SECTION ELEVEN HUNDRED FIVE-C OF THIS CHAPTER
34 DOES NOT APPLY TO SUCH TAXES, AND SHALL TAX RECEIPTS FROM EVERY SALE,
35 OTHER THAN SALES FOR RESALE, OF GAS SERVICE OR ELECTRIC SERVICE OF WHAT-
36 EVER NATURE, INCLUDING THE TRANSPORTATION, TRANSMISSION OR DISTRIBUTION
37 OF GAS OR ELECTRICITY, EVEN IF SOLD SEPARATELY, AT THE RATE SET FORTH IN
38 CLAUSE ONE OF SUBPARAGRAPH (I) OF THE OPENING PARAGRAPH OF THIS SECTION.

39 S 3. Paragraph 4 of subdivision (a) of section 1210 of the tax law, as
40 amended by section 35 of part S-1 of chapter 57 of the laws of 2009, is
41 amended to read as follows:

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

1 shall not include any tax on receipts from, or the use of, the services
2 described in paragraph seven of subdivision (c) of section eleven
3 hundred five of this chapter; (v) shall provide that, for purposes of
4 the tax described in subdivision (e) of section eleven hundred five of
5 this chapter, "permanent resident" means any occupant of any room or
6 rooms in a hotel for at least one hundred eighty consecutive days with
7 regard to the period of such occupancy; (vi) may omit the exception
8 provided in paragraph one of subdivision (f) of section eleven hundred
9 five of this chapter for charges to a patron for admission to, or use
10 of, facilities for sporting activities in which the patron is to be a
11 participant, such as bowling alleys and swimming pools; (vii) [shall
12 not] MAY provide the clothing and footwear exemption in paragraph thirty
13 of subdivision (a) of section eleven hundred fifteen of this chapter
14 [but must exempt clothing and footwear and any item used or consumed to
15 make or repair exempt clothing and which becomes a physical component
16 part of that exempt clothing], AND, NOTWITHSTANDING ANY PROVISION OF
17 SUBDIVISION (D) OF THIS SECTION TO THE CONTRARY, ANY LOCAL LAW PROVIDING
18 FOR SUCH EXEMPTION OR REPEALING SUCH EXEMPTION, MAY GO INTO EFFECT ON
19 ANY ONE OF THE FOLLOWING DATES: MARCH FIRST, JUNE FIRST, SEPTEMBER FIRST
20 OR DECEMBER FIRST; (viii) shall omit the exemption provided in paragraph
21 forty-one of subdivision (a) of section eleven hundred fifteen of this
22 chapter; (ix) shall omit the exemption provided in subdivision (c) of
23 section eleven hundred fifteen of this chapter insofar as it applies to
24 fuel, gas, electricity, refrigeration and steam, and gas, electric,
25 refrigeration and steam service of whatever nature for use or consump-
26 tion directly and exclusively in the production of gas, electricity,
27 refrigeration or steam; [and] (x) shall omit, unless such city elects
28 otherwise, the provision for refund or credit contained in clause six of
29 subdivision (a) or in subdivision (d) of section eleven hundred nineteen
30 of this chapter; AND (XI) SHALL PROVIDE THAT SECTION ELEVEN HUNDRED
31 FIVE-C OF THIS CHAPTER DOES NOT APPLY TO SUCH TAXES, AND SHALL TAX
32 RECEIPTS FROM EVERY SALE, OTHER THAN SALES FOR RESALE, OF GAS SERVICE OR
33 ELECTRIC SERVICE OF WHATEVER NATURE, INCLUDING THE TRANSPORTATION,
34 TRANSMISSION OR DISTRIBUTION OF GAS OR ELECTRICITY, EVEN IF SOLD SEPA-
35 RATELY, AT THE RATE SET FORTH IN CLAUSE ONE OF SUBPARAGRAPH (I) OF THE
36 OPENING PARAGRAPH OF THIS SECTION.

37 S 4. Paragraphs 2 and 3 of subdivision (a) of section 1212-A of the
38 tax law, paragraph 2 as amended by chapter 190 of the laws of 1990 and
39 paragraph 3 as amended by chapter 525 of the laws of 2008, are amended
40 to read as follows:

41 (2) a tax, at the same uniform rate, but at a rate not to exceed four
42 AND ONE-HALF per centum, in multiples of one-half of one per centum, on
43 the receipts from every sale of the following services: beauty, barber-
44 ing, hair restoring, manicuring, pedicuring, electrolysis, massage
45 services and similar services, and every sale of services by weight
46 control salons, health salons, gymnasiums, turkish and sauna bath and
47 similar establishments and every charge for the use of such facilities,
48 whether or not any tangible personal property is transferred in conjunc-
49 tion therewith; but excluding services rendered by a physician, osteo-
50 path, dentist, nurse, physiotherapist, chiropractor, podiatrist, optome-
51 trist, ophthalmic dispenser or a person performing similar services
52 licensed under title VIII of the education law, as amended, and exclud-
53 ing such services when performed on pets and other animals.

54 (3) [for a period beginning no earlier than January first, nineteen
55 hundred ninety and ending December thirty-first, two thousand eleven,] a
56 tax, at the same uniform rate, but at a rate not to exceed four AND

1 ONE-HALF per centum, in multiples of one-half of one per centum, on the
2 receipts from every sale of any or all of the following services in
3 whole or in part: credit rating, credit reporting, credit adjustment
4 and collection services, including, but not limited to, those services
5 provided by mercantile and consumer credit rating or reporting bureaus
6 or agencies and credit adjustment or collection bureaus or agencies,
7 whether rendered in written or oral form or in any other manner, except
8 to the extent otherwise taxable under article twenty-eight of this chap-
9 ter; notwithstanding the foregoing, collection services shall not
10 include those services performed by a law office or a law and collection
11 office, the maintenance or conduct of which constitutes the practice of
12 law, if the services are performed by an attorney at law who has been
13 duly licensed and admitted to practice law in this state. The local law
14 imposing the taxes authorized by this paragraph may provide for exclu-
15 sions and exemptions in addition to those provided for in such para-
16 graph. PROVIDED, HOWEVER, THAT THE TAX HEREBY AUTHORIZED SHALL NOT BE
17 IMPOSED AFTER NOVEMBER THIRTIETH, TWO THOUSAND ELEVEN.

18 S 5. Subdivisions (a) and (b) of section 11-2001 of the administrative
19 code of the city of New York, as added by section 13 of part SS-1 of
20 chapter 57 of the laws of 2008, are amended to read as follows:

21 (a) [On and after August first, two thousand eight, there] THERE are
22 hereby imposed and there shall be paid all of the sales and compensating
23 use taxes described in article twenty-eight of the tax law as authorized
24 by subdivision (a) of section twelve hundred ten of the tax law, at the
25 rate of four AND ONE-HALF percent, provided that the taxes described in
26 paragraph six of subdivision (c) of section eleven hundred five of the
27 tax law shall be imposed and paid at the rate of six percent.

28 (b) Notwithstanding any contrary provision of this section or other
29 law, this section:

30 (1) does not impose tax on (i) receipts from the sale of the services
31 of laundering, dry-cleaning, tailoring, weaving, pressing, shoe repair-
32 ing and shoe shining described in subparagraph (ii) of paragraph three
33 of subdivision (c) of section eleven hundred five of the tax law; (ii)
34 receipts from the sale of services described in paragraph six of subdivi-
35 sion (c) of section eleven hundred five of the tax law at facilities
36 owned and operated by the city or an agency or instrumentality of the
37 city or a public corporation the majority of whose members are appointed
38 by the mayor or the city council or both of them;

39 (2) for purposes of the tax described in subdivision (e) of section
40 eleven hundred five of the tax law, defines "permanent resident" to mean
41 any occupant of any room or rooms in a hotel for at least one hundred
42 eighty consecutive days with regard to the period of such occupancy;

43 (3) does not omit from the tax described in paragraph one of subdivi-
44 sion (f) of section eleven hundred five of the tax law charges to a
45 patron for admission to, or use of, facilities for sporting activities
46 in which such patron is to be a participant, such as bowling alleys and
47 swimming pools;

48 (4) [does not provide] PROVIDES the clothing and footwear exemption in
49 paragraph thirty of subdivision (a) of section eleven hundred fifteen of
50 the tax law [but does exempt clothing and footwear and any item used or
51 consumed to make or repair exempt clothing and which becomes a physical
52 component part of that exempt clothing];

53 (5) omits the exemption provided in paragraph forty-one of subdivision
54 (a) of section eleven hundred fifteen of the tax law;

55 (6) omits the exemption provided in subdivision (c) of section eleven
56 hundred fifteen of the tax law insofar as it applies to fuel, gas, elec-

1 tricity, refrigeration and steam, and gas, electric, refrigeration and
2 steam service of whatever nature for use or consumption directly and
3 exclusively in the production of gas, electricity, refrigeration or
4 steam; [and]

5 (7) omits the provision for refund or credit contained in clause six
6 of subdivision (a) of section eleven hundred nineteen of the tax law;
7 AND

8 (8) MAKES INAPPLICABLE SECTION ELEVEN HUNDRED FIVE-C OF THE TAX LAW,
9 AND IMPOSES TAX ON RECEIPTS FROM EVERY SALE, OTHER THAN SALES FOR
10 RESALE, OF GAS SERVICE OR ELECTRIC SERVICE OF WHATEVER NATURE, INCLUDING
11 THE TRANSPORTATION, TRANSMISSION OR DISTRIBUTION OF GAS OR ELECTRICITY,
12 EVEN IF SOLD SEPARATELY, AT THE RATE SET FORTH IN SUBDIVISION (A) OF
13 THIS SECTION.

14 S 6. Subdivision (a) of section 11-2002 of the administrative code of
15 the city of New York, as amended by chapter 525 of the laws of 2008, is
16 amended to read as follows:

17 (a) [For the period commencing August first, two thousand eight, and
18 ending December thirty-first, two thousand eleven, there] THERE are
19 hereby imposed and there shall be paid sales taxes at the rate of four
20 AND ONE-HALF percent on receipts from every sale of the services of
21 beauty, barbering, hair restoring, manicuring, pedicuring, electrolysis,
22 massage services and similar services, and every sale of services by
23 weight control salons, health salons, gymnasiums, turkish and sauna bath
24 and similar establishments and every charge for the use of such facili-
25 ties, whether or not any tangible personal property is transferred in
26 conjunction therewith; but excluding services rendered by a physician,
27 osteopath, dentist, nurse, physiotherapist, chiropractor, podiatrist,
28 optometrist, ophthalmic dispenser or a person performing similar
29 services licensed under title eight of the education law, as amended,
30 and excluding such services when performed on pets and other animals, as
31 authorized by subdivision (a) of section twelve hundred twelve-A of the
32 tax law. PROVIDED, HOWEVER, THAT THE TAX HEREBY IMPOSED SHALL NOT BE
33 IMPOSED AFTER NOVEMBER THIRTIETH, TWO THOUSAND ELEVEN.

34 S 7. The opening paragraph of subdivision (a) of section 11-2040 of
35 the administrative code of the city of New York, as amended by chapter
36 525 of the laws of 2008, is amended to read as follows:

37 [On and after September first, nineteen hundred seventy-five, there]
38 THERE is hereby imposed within the city and there shall be paid a tax at
39 the rate of four AND ONE-HALF percent upon the receipts from every sale,
40 except for resale, of the following services, provided, however, that
41 the tax hereby imposed shall not be imposed after [December thirty-
42 first] NOVEMBER THIRTIETH, two thousand eleven, on receipts from sales
43 of the services specified in paragraph one of this subdivision:

44 S 8. This act shall take effect on the first day of the month next
45 commencing after it shall have become a law and shall apply to sales
46 made, uses occurring and services rendered on or after that date in
47 accordance with applicable transitional provisions in sections 1106 and
48 1217 of the tax law; provided, however, that section three of this act
49 shall take effect on the same date and in the same manner as section 35
50 of part S-1 of chapter 57 of the laws of 2009, as amended, takes effect.