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

49

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 administrative code of the city of New York and the tax law, in relation to the temporary exemption from commercial rent or occupancy tax for premises used for retail sales in lower Manhattan and the World Trade Center area; and to amend part C of chapter 2 of the laws of 2005 amending the tax law relating to exemptions from sales and use taxes, in relation to the effectiveness of provisions thereof

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

Section 1. Subparagraph (b-2) of paragraph 2 of subdivision i of section 11-704 of the administrative code of the city of New York, as added by section 8 of part A of chapter 2 of the laws of 2005, is amended to read as follows:

(b-2) The amount of the special reduction allowed by this subdivision with respect to a lease other than a sublease commencing between July first, two thousand five and June thirtieth, two thousand [nine] THIRTEEN with an initial or renewal lease term of at least five years shall be determined as follows:

(i) For the base year the amount of such special reduction shall be equal to the base rent for the base year.

(ii) For the first, second, third and fourth twelve-month periods following the base year the amount of such special reduction shall be equal to the lesser of (A) the base rent for each such twelve-month period or (B) the base rent for the base year.

S 2. Subparagraph (A) of paragraph 7 of subdivision (ee) of section 1115 of the tax law, as added by section 1 of part C of chapter 2 of the laws of 2005, is amended to read as follows:

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

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(A) "Tenant" means a person who, as lessee, enters into a space lease with a landlord for a term of ten years or more commencing on or after September first, two thousand five, but not later than, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (i) of subparagraph (D) of this paragraph, September first, two thousand [nine] THIRTEEN and, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (ii) of subparagraph (D) of this paragraph not later than September first, two thousand [eleven] FIFTEEN, of premises for use as commercial office space in buildings located or to be located in the eligible areas. A person who currently occupies premises for use as commercial office space under an existing lease in a building in the eligible areas shall not be eligible for exemption under this subdivision unless such existing lease, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (i) of subparagraph (D) of this paragraph expires according to its terms before September first, two thousand [nine] THIRTEEN or such existing lease, in the case of a space lease with respect to leased premises located in eligible areas as defined in clause (ii) of subparagraph (D) of this paragraph and such person enters into a space lease, for a term of ten years or more commencing on or after September first, two thousand five, of premises for use as commercial office space in a building located or to be located in the eligible areas, provided that such space lease with respect to leased premises located in eligible areas as defined in clause (i) of subparagraph (D) of this paragraph commences no later than September first, two thousand [nine] THIRTEEN, and provided that such space lease with respect to leased premises located in eligible areas as defined in clause (ii) of subparagraph (D) of this paragraph commences no later than September first, two thousand [eleven] FIFTEEN and provided, further, that such space lease shall expire no earlier than ten years after the expiration of the original lease.

S 3. Section 2 of part C of chapter 2 of the laws of 2005 amending the tax law relating to exemptions from sales and use taxes is amended to read as follows:

S 2. This act shall take effect September 1, 2005 and shall expire and be deemed repealed on December 1, [2012] 2016, and shall apply to sales made, uses occurring and services rendered on or after such effective date, in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law; except that clause (i) of subparagraph (D) of paragraph seven of subdivision (ee) of section 1115 of the tax law, as added by section one of this act, shall expire and be deemed repealed December 1, [2010] 2014.

S 4. This act shall take effect immediately; provided that if this act shall take effect after June 30, 2009, it shall be deemed to have been in full force and effect on and after June 30, 2009.