

7448

I N   S E N A T E

May 18, 2012

---

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

AN ACT to amend the tax law, in relation to establishing a small business tax credit and a hire-now tax credit (Part A); to amend the tax law, in relation to the franchise tax on business corporations (Part B); to amend the public service law, in relation to a temporary annual assessment; to amend part NN of chapter 59 of the laws of 2009 amending the public service law relating to financing operations of the department of public service, in relation to the effectiveness thereof; and to amend the public service law, in relation to reducing the amount a utility can be assessed (Part C); to amend the tax law, in relation to establishing the beer production and beer label tax credits (Part D); to amend the tax law, in relation to the allocation of credit for the empire state film production credit; and to repeal section 7 of part P of chapter 60 of the laws of 2004, amending the tax law relating to the empire state film production credit, relating thereto (Part E); and to amend the general municipal law and the tax law, in relation to establishing an angel tax credit for investments made in small businesses (Part F)

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

1     Section 1. This act shall be known and may be cited as the "2012 New  
2     Jobs-NY job creation act".  
3     S 2. This act enacts into law components of legislation relating to  
4     enacting the "2012 New Jobs-NY job creation act". Each component is  
5     wholly contained within a Part identified as Parts A through F. The  
6     effective date for each particular provision contained within such Part  
7     is set forth in the last section of such Part. Any provision in any  
8     section contained within a Part, including the effective date of the  
9     Part, which makes reference to a section "of this act", when used in  
10    connection with that particular component, shall be deemed to mean and  
11    refer to the corresponding section of the Part in which it is found.  
12    Section four of this act sets forth the general effective date of this  
13    act.

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

LBD15938-03-2

1

## PART A

2 Section 1. Section 606 of the tax law is amended by adding a new  
3 subsection (uu) to read as follows:

4 (UU) SMALL BUSINESS TAX CREDIT. (1) GENERAL. A QUALIFIED TAXPAYER  
5 SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE EQUAL  
6 TO SIX AND SIXTY-FIVE HUNDREDTHS PERCENT OF QUALIFIED BUSINESS INCOME.

7 (2) DEFINITIONS. FOR THE PURPOSES OF THIS SUBSECTION, THE TERM:

8 (A) "QUALIFIED TAXPAYER" SHALL MEAN A SOLE PROPRIETOR WHO EMPLOYS ONE  
9 OR MORE PERSONS AND WHO HAS NET BUSINESS INCOME OF LESS THAN TWO HUNDRED  
10 FIFTY THOUSAND DOLLARS.

11 (B) "QUALIFIED BUSINESS INCOME" SHALL MEAN TEN PERCENT OF THE BUSINESS  
12 INCOME OF THE TAXPAYER AS DEFINED IN THE LAWS OF THE UNITED STATES.

13 (3) IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY  
14 TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS  
15 SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN  
16 ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS  
17 ARTICLE, PROVIDED, HOWEVER, NO INTEREST SHALL BE PAID THEREON.

18 S 2. Subparagraph (iv) of paragraph (a) of subdivision 1 of section  
19 210 of the tax law, as amended by section 2 of part N of chapter 60 of  
20 the laws of 2007, is amended to read as follows:

21 (iv) for taxable years beginning on or after January first, two thou-  
22 sand seven AND ENDING BEFORE JANUARY FIRST, TWO THOUSAND THIRTEEN, if  
23 the entire net income base is not more than two hundred ninety thousand  
24 dollars the amount shall be six and one-half percent of the entire net  
25 income base; if the entire net income base is more than two hundred  
26 ninety thousand dollars but not over three hundred ninety thousand  
27 dollars the amount shall be the sum of (1) eighteen thousand eight  
28 hundred fifty dollars, (2) seven and one-tenth percent of the excess of  
29 the entire net income base over two hundred ninety thousand dollars but  
30 not over three hundred ninety thousand dollars and (3) four and thirty-  
31 five hundredths percent of the excess of the entire net income base over  
32 three hundred fifty thousand dollars but not over three hundred ninety  
33 thousand dollars;

34 S 3. Paragraph (a) of subdivision 1 of section 210 of the tax law is  
35 amended by adding a new subparagraph (vii) to read as follows:

36 (VII) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOU-  
37 SAND THIRTEEN, IF THE ENTIRE NET INCOME BASE IS NOT MORE THAN TWO  
38 HUNDRED NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE FIVE AND TWO-TENTHS  
39 PERCENT OF THE ENTIRE NET INCOME BASE; IF THE ENTIRE NET INCOME BASE IS  
40 MORE THAN TWO HUNDRED NINETY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED  
41 NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE THE SUM OF (1) FIFTEEN THOU-  
42 SAND EIGHTY DOLLARS, (2) NINE AND SEVENTY-FIVE ONE-HUNDREDTHS PERCENT OF  
43 THE EXCESS OF THE ENTIRE NET INCOME BASE OVER TWO HUNDRED NINETY THOU-  
44 SAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS AND (3)  
45 SEVEN AND ONE-TENTHS PERCENT OF THE EXCESS OF THE ENTIRE NET INCOME BASE  
46 OVER THREE HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED  
47 NINETY THOUSAND DOLLARS;

48 S 4. The opening paragraph of subparagraph 4 of paragraph (d) of  
49 subdivision 1 of section 210 of the tax law, as added by section 2 of  
50 part AA-1 of chapter 57 of the laws of 2008, is amended to read as  
51 follows:

52 Notwithstanding subparagraphs one and two of this paragraph, for taxa-  
53 ble years beginning on or after January first, two thousand eight AND  
54 ENDING BEFORE JANUARY FIRST, TWO THOUSAND THIRTEEN, the amount

prescribed by this paragraph for New York S corporations will be determined in accordance with the following table:

S 5. Subparagraph 5 of paragraph (d) of subdivision 1 of section 210 of the tax law is renumbered subparagraph 6.

S 6. Paragraph (d) of subdivision 1 of section 210 of the tax law is amended by adding a new subparagraph 5 to read as follows:

(5) NOTWITHSTANDING SUBPARAGRAPHS ONE AND TWO OF THIS PARAGRAPH, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN, THE AMOUNT PRESCRIBED BY THIS PARAGRAPH FOR NEW YORK S CORPORATIONS WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLE:

IF NEW YORK RECEIPTS ARE: THE FIXED DOLLAR MINIMUM TAX IS:

NOT MORE THAN \$100,000	\$1
MORE THAN \$100,000 BUT NOT OVER \$250,000	\$1
MORE THAN \$250,000 BUT NOT OVER \$500,000	\$1
MORE THAN \$500,000 BUT NOT OVER \$1,000,000	\$1
MORE THAN \$1,000,000 BUT NOT OVER \$5,000,000	\$1,000
MORE THAN \$5,000,000 BUT NOT OVER \$25,000,000	\$3,000
OVER \$25,000,000	\$4,500

OTHERWISE THE AMOUNT PRESCRIBED BY THIS PARAGRAPH WILL BE DETERMINED IN ACCORDANCE WITH THE FOLLOWING TABLE:

IF NEW YORK RECEIPTS ARE: THE FIXED DOLLAR MINIMUM TAX IS:

NOT MORE THAN \$100,000	\$1
MORE THAN \$100,000 BUT NOT OVER \$250,000	\$1
MORE THAN \$250,000 BUT NOT OVER \$500,000	\$1
MORE THAN \$500,000 BUT NOT OVER \$1,000,000	\$1
MORE THAN \$1,000,000 BUT NOT OVER \$5,000,000	\$1,500
MORE THAN \$5,000,000 BUT NOT OVER \$25,000,000	\$3,500
OVER \$25,000,000	\$5,000

FOR PURPOSES OF THIS PARAGRAPH, NEW YORK RECEIPTS ARE THE RECEIPTS COMPUTED IN ACCORDANCE WITH SUBPARAGRAPH TWO OF PARAGRAPH (A) OF SUBDIVISION THREE OF THIS SECTION FOR THE TAXABLE YEAR.

S 7. Subparagraph 6 of paragraph (d) of subdivision 1 of section 210 of the tax law, as added by section 3 of part C of chapter 56 of the laws of 2011 and as renumbered by section five of this act, is amended to read as follows:

(6) For taxable years beginning on or after January first, two thousand twelve and before January first, two thousand fifteen, the amounts prescribed in subparagraphs one and [four] FIVE of this paragraph as the fixed dollar minimum tax for an eligible qualified New York manufacturer shall be one-half of the amounts stated in those subparagraphs. For purposes of this subparagraph, the term "eligible qualified New York manufacturer" shall have the same meaning as in subparagraph (vi) of paragraph (a) of this subdivision.

S 8. The tax law is amended by adding a new section 37 to read as follows:

S 37. HIRE-NOW TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER, WHICH IS SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER AND WHICH CREATES A NEW JOB, SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX. THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SECTION SHALL BE EQUAL TO THE PRODUCT OF 6.85 PERCENT AND THE GROSS WAGES PAID FOR EACH NEW EMPLOYEE. THE CREDIT SHALL NOT BE MORE THAN FIVE THOUSAND DOLLARS FOR ANY NEW EMPLOYEE FOR ONE FULL YEAR OF EMPLOYMENT; IF A NEW EMPLOYEE HAS BEEN HIRED FOR LESS THAN A FULL TAX YEAR THIS AMOUNT SHALL BE PRORATED AND APPORTIONED TO EACH TAX YEAR BUT SHALL IN NO WAY DECREASE THE FULL THREE CONSECUTIVE YEARS OF CREDIT ELIGIBILITY. THE TAXPAYER MAY CLAIM THIS CREDIT FOR EACH NEW EMPLOYEE FOR A PERIOD OF THREE CONSECUTIVE YEARS OF

1 EMPLOYMENT. THE TAXPAYER MAY OFFSET QUARTERLY ESTIMATED TAX RETURNS  
2 WITH THE AMOUNT OF THIS CREDIT EARNED IN ANY PREVIOUS QUARTER.

3 (B) UNEMPLOYMENT ENHANCEMENT. IF A NEW EMPLOYEE WAS RECEIVING UNEM-  
4 PLOYMENT INSURANCE BENEFITS AT THE TIME OF HIRE, AN ADDITIONAL THREE  
5 THOUSAND DOLLAR CREDIT WILL BE ALLOWED FOR THE FIRST FULL YEAR OF  
6 EMPLOYMENT.

7 (C) HIRE-A-VET ENHANCEMENT. IF A NEW EMPLOYEE WAS RECEIVING UNEMPLOY-  
8 MENT INSURANCE BENEFITS AT THE TIME OF HIRE AND IS ALSO A VETERAN, AN  
9 ADDITIONAL FIVE THOUSAND DOLLAR CREDIT WILL BE ALLOWED FOR THE FIRST  
10 FULL YEAR OF EMPLOYMENT.

11 (D) DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL  
12 HAVE THE FOLLOWING MEANINGS:

13 (1) "NEW EMPLOYEE" SHALL MEAN ANY FULL TIME EMPLOYEE THAT IS HIRED BY  
14 THE TAXPAYER AFTER JULY FIRST, TWO THOUSAND TWELVE AND BEFORE APRIL  
15 FIRST, TWO THOUSAND THIRTEEN, THAT CAUSES THE TOTAL NUMBER OF EMPLOYEES  
16 TO INCREASE ABOVE BASE EMPLOYMENT OR CREDIT EMPLOYMENT, WHICHEVER IS  
17 HIGHER.

18 (2) "BASE YEAR" SHALL MEAN CALENDAR YEAR TWO THOUSAND ELEVEN.

19 (3) "BASE EMPLOYMENT" SHALL MEAN THE AVERAGE NUMBER OF FULL TIME  
20 EMPLOYEES OR FULL TIME EQUIVALENT EMPLOYEES DURING THE BASE YEAR. FOR A  
21 NEW BUSINESS, BASE EMPLOYMENT SHALL BEGIN AT ZERO.

22 (4) "CREDIT EMPLOYMENT" SHALL MEAN BASE EMPLOYMENT PLUS THE NUMBER OF  
23 NEW EMPLOYEES FOR WHICH A CREDIT IS EARNED FOR THE PRIOR TAX YEARS.

24 (5) "VETERAN" SHALL MEAN A RESIDENT OF THIS STATE, WHO HAS SERVED ON  
25 ACTIVE DUTY IN THE UNITED STATES ARMY, NAVY, AIR FORCE, MARINES, COAST  
26 GUARD, AND/OR RESERVES THEREOF, AND/OR THE ARMY NATIONAL GUARD, AIR  
27 NATIONAL GUARD, NEW YORK GUARD AND/OR THE NEW YORK NAVAL MILITIA, AND  
28 WHO IS CURRENTLY IN SERVICE, OR HAS BEEN RELEASED FROM SUCH SERVICE BY  
29 HONORABLE DISCHARGE, OR WHO HAS BEEN FURLOUGHED TO THE RESERVE AND WHO  
30 SERVED IN A WAR, ARMED CONFLICT AND/OR OTHER HOSTILITIES.

31 (E) REPLACEMENT EMPLOYEES. IF A NEW EMPLOYEE FOR WHICH A CREDIT WAS  
32 EARNED LEAVES THE PAYROLL AND AN EMPLOYEE IS HIRED WHICH BRINGS TOTAL  
33 EMPLOYMENT ABOVE BASE EMPLOYMENT BUT AT OR BELOW CREDIT EMPLOYMENT  
34 LEVEL, THE CREDIT ELIGIBILITY PERIOD FOR SUCH EMPLOYEE SHALL BE THREE  
35 YEARS MINUS THE AMOUNT OF TIME (ROUNDED TO THE NEXT FULL MONTH) THE  
36 EMPLOYER RECEIVED THE CREDIT FOR THE DEPARTING EMPLOYEE.

37 (F) NO DOUBLE CREDIT. A TAXPAYER MAY NOT BE ALLOWED A CREDIT UNDER  
38 BOTH SUBDIVISION (B) AND SUBDIVISION (C) OF THIS SECTION FOR THE SAME  
39 EMPLOYEE.

40 (G) NO CREDIT SHALL BE ALLOWED UNDER THIS SECTION TO A TAXPAYER FOR  
41 ANY NEW EMPLOYEE IF THE TAXPAYER CLAIMS ANY OTHER CREDIT UNDER THIS  
42 ARTICLE FOR SUCH NEW EMPLOYEE WHERE THE BASIS OF SUCH OTHER CREDIT IS AN  
43 INCREASE IN EMPLOYMENT.

44 S 9. Section 210 of the tax law is amended by adding a new subdivision  
45 45 to read as follows:

46 45. HIRE-NOW TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER WILL BE  
47 ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-SEVEN OF  
48 THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

49 (B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION  
50 FOR ANY TAXABLE YEAR MAY NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS  
51 THAN THE HIGHER OF THE AMOUNTS PRESCRIBED IN PARAGRAPHS (C) AND (D) OF  
52 SUBDIVISION ONE OF THIS SECTION. HOWEVER, IF THE AMOUNT OF CREDIT  
53 ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO  
54 SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE  
55 YEAR WILL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED  
56 IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF

THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST WILL BE PAID THEREON.

S 10. Section 606 of the tax law is amended by adding a new subsection (vv) to read as follows:

(VV) HIRE-NOW TAX CREDIT. (1) A TAXPAYER WILL BE ALLOWED A CREDIT, TO THE EXTENT ALLOWED UNDER SECTION THIRTY-SEVEN OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS WILL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST WILL BE PAID THEREON.

S 11. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xxxiv) to read as follows:

(XXXIV) HIRE-NOW TAX CREDIT	AMOUNT OF CREDIT UNDER
UNDER SUBSECTION (VV)	SUBDIVISION FORTY-FIVE OF SECTION
	TWO HUNDRED TEN

S 12. This act shall take effect immediately; provided that section one of this act shall apply to taxable years beginning on or after January 1, 2013.

## PART B

Section 1. Subdivision 1 of section 209 of the tax law, as amended by chapter 817 of the laws of 1987, is amended to read as follows:

1. For the privilege of exercising its corporate franchise, or of doing business, or of employing capital, or of owning or leasing property in this state in a corporate or organized capacity, or of maintaining an office in this state, for all or any part of each of its fiscal or calendar years, every domestic or foreign corporation, except corporations specified in subdivision four of this section, shall annually pay a franchise tax, upon the basis of its entire net income base, or upon such other basis as may be applicable as hereinafter provided, for such fiscal or calendar year or part thereof, on a report which shall be filed, except as hereinafter provided, on or before the fifteenth day of March next succeeding the close of each such year, or, in the case of a corporation which reports on the basis of a fiscal year, within two and one-half months after the close of such fiscal year, and shall be paid as hereinafter provided. PROVIDED HOWEVER, A MANUFACTURER AS DEFINED IN SECTION TWO HUNDRED TEN OF THIS ARTICLE SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN; IF THE MANUFACTURER HAS ONE HUNDRED OR FEWER EMPLOYEES AND LESS THAN ONE MILLION DOLLARS IN GROSS INCOME SUCH MANUFACTURER SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN; IF THE MANUFACTURER HAS FIFTY OR FEWER EMPLOYEES AND LESS THAN FIVE HUNDRED THOUSAND DOLLARS IN GROSS INCOME SUCH MANUFACTURER SHALL NOT BE SUBJECT TO TAX UNDER THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN.

S 2. Subsection (c) of section 612 of the tax law is amended by adding a new paragraph 39 to read as follows:

(39) IN THE CASE OF A TAXPAYER WHO IS A PROPRIETOR OF, A PARTNER IN, AN S-CORPORATION SHAREHOLDER OF, A LIMITED LIABILITY COMPANY MEMBER OF

OR A LIMITED LIABILITY COMPANY MEMBER OF, A BUSINESS THAT IS A MANUFACTURER, AS THE TERM IS DEFINED IN SUBPARAGRAPH (VI) OF PARAGRAPH (A) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE, TO THE EXTENT INCLUDED IN FEDERAL GROSS INCOME FOR THE TAXABLE YEAR, BUSINESS INCOME OR SHARE OF BUSINESS INCOME FROM SUCH MANUFACTURING BUSINESS FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FIFTEEN, PROVIDED HOWEVER IF SUCH BUSINESS THAT IS A MANUFACTURER HAS ONE HUNDRED OR FEWER EMPLOYEES AND LESS THAN ONE MILLION DOLLARS IN BUSINESS INCOME, THIS PARAGRAPH SHALL BE APPLICABLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN, FURTHER PROVIDED HOWEVER IF SUCH BUSINESS THAT IS A MANUFACTURER HAS FIFTY OR FEWER EMPLOYEES AND LESS THAN FIVE HUNDRED THOUSAND DOLLARS IN BUSINESS INCOME THIS PARAGRAPH SHALL BE APPLICABLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTEEN.

S 3. This act shall take effect immediately.

## PART C

Section 1. Paragraph (a) of subdivision 6 of section 18-a of the public service law, as added by section 4 of part NN of chapter 59 of the laws of 2009, is amended to read as follows:

(a) Notwithstanding any provision of law to the contrary, and subject to the exceptions provided for in paragraph (b) of this subdivision, for the state fiscal year beginning on April first, two thousand nine and [four] THREE state fiscal years thereafter, a temporary annual assessment (hereinafter "temporary state energy and utility service conservation assessment") is hereby imposed on public utility companies (including for the purposes of this subdivision municipalities other than municipalities as defined in section eighty-nine-1 of this chapter), corporations (including for purposes of this subdivision the Long Island power authority), and persons subject to the commission's regulation (hereinafter such public utility companies, corporations, and persons are referred to collectively as the "utility entities") to encourage the conservation of energy and other resources provided through utility entities, to be assessed in the manner provided in this subdivision; provided, however, that such assessment shall not be imposed upon telephone corporations as defined in subdivision seventeen of section two of this article.

S 2. Section 6 of part NN of chapter 59 of the laws of 2009, amending the public service law relating to financing operations of the department of public service is amended to read as follows:

S 6. This act shall take effect immediately; provided, however, that subdivision 6 of section 18-a of the public service law, as added by section four of this act shall take effect April 1, 2009 and shall expire and be deemed repealed March 31, [2014] 2013; and provided, further, that if section four of this act shall become law after April 1, 2009, it shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2009.

S 3. Paragraph (g) of subdivision 2 of section 18-a of the public service law, as amended by section 2 of part NN of chapter 59 of the laws of 2009, is amended to read as follows:

(g) The total amount which may be charged to any public utility company under authority of this subdivision for any state fiscal year shall not exceed ONE-THIRD OF one per centum of such public utility company's gross operating revenues derived from intrastate utility operations in the last preceding calendar year, or other twelve month period as deter-

mined by the chairman; provided, however, that no corporation or person that is subject to the jurisdiction of the commission only with respect to safety, or the power authority of the state of New York, shall be subject to the general assessment provided for under this subdivision.

S 4. This act shall take effect immediately and shall be deemed to have been in full force and effect on the same date and in the same manner as part NN of chapter 59 of the laws of 2009 took effect; provided that the amendment to paragraph (a) of subdivision 6 of section 18-a of the public service law made by section one of this act shall not affect the expiration and repeal of such subdivision 6 and shall expire and be deemed repealed therewith; and provided further that section three of this act shall take effect April 1, 2013.

#### PART D

Section 1. The tax law is amended by adding two new sections 37 and 38 to read as follows:

S 37. BEER PRODUCTION CREDIT. (A) GENERAL. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (B) OF THIS SECTION. THE CREDIT (OR PRO RATA SHARE OF EARNED CREDIT IN THE CASE OF A PARTNERSHIP) FOR EACH GALLON OF BEER PRODUCED IN NEW YORK STATE BY A LICENSED BREWERY OR A LICENSED TENANT BREWER ON OR AFTER APRIL FIRST, TWO THOUSAND TWELVE SHALL BE EQUAL TO FOURTEEN CENTS MULTIPLIED BY THE NUMBER OF GALLONS PRODUCED NOT TO EXCEED SIX MILLION TWO HUNDRED THOUSAND GALLONS. IF THE TAXPAYER IS A PARTNER IN A PARTNERSHIP OR SHAREHOLDER OF A NEW YORK S CORPORATION, THEN THE CAP IMPOSED BY THE PRECEDING SENTENCE SHALL BE APPLIED AT THE ENTITY LEVEL, SO THAT THE AGGREGATE CREDIT ALLOWED TO ALL THE PARTNERS OR SHAREHOLDERS OF EACH SUCH ENTITY IN THE TAXABLE YEAR DOES NOT EXCEED SIX MILLION TWO HUNDRED THOUSAND GALLONS TIMES FOURTEEN CENTS.

(B) CROSS-REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

(1) ARTICLE 9-A: SECTION 210, SUBDIVISION 45.

(2) ARTICLE 22: SECTION 606, SUBSECTIONS (I) AND (UU).

S 38. BEER LABEL CREDIT. (A) GENERAL. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED A CREDIT AGAINST SUCH TAX PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (B) OF THIS SECTION. THE CREDIT (OR PRO RATA SHARE OF EARNED CREDIT IN THE CASE OF A PARTNERSHIP) SHALL EQUAL ONE HUNDRED FIFTY DOLLARS FOR EACH BRAND OR TRADE NAME LABEL REGISTERED WITH THE STATE LIQUOR AUTHORITY FOR BEER THAT IS BREWED IN NEW YORK STATE BY THE TAXPAYER IN BATCHES TOTALING FIFTEEN HUNDRED BARRELS OR LESS DURING THE TAXABLE YEAR.

(B) CROSS-REFERENCES. FOR APPLICATION OF THE CREDIT PROVIDED FOR IN THIS SECTION, SEE THE FOLLOWING PROVISIONS OF THIS CHAPTER:

(1) ARTICLE 9-A: SECTION 210, SUBDIVISION 46.

(2) ARTICLE 22: SECTION 606, SUBSECTIONS (I) AND (VV).

S 2. Section 210 of the tax law is amended by adding two new subdivisions 45 and 46 to read as follows:

45. BEER PRODUCTION CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-SEVEN OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. 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. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO

SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

46. BEER LABEL CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-EIGHT OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. 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. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION ONE THOUSAND EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE PROVISIONS OF SUBSECTION (C) OF SECTION ONE THOUSAND EIGHTY-EIGHT OF THIS CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

S 3. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding two new clauses (xxxiv) and (xxxv) to read as follows:

(XXXIV) BEER PRODUCTION TAX CREDIT	AMOUNT OF CREDIT UNDER
UNDER SUBSECTION (UU)	SUBDIVISION FORTY-FIVE OF SECTION
	TWO HUNDRED TEN

(XXXV) BEER LABEL CREDIT UNDER	AMOUNT OF CREDIT UNDER
UNDER SUBSECTION (VV)	SUBDIVISION FORTY-SIX OF
	SECTION TWO HUNDRED TEN

S 4. Section 606 of the tax law is amended by adding two new subsections (uu) and (vv) to read as follows:

(UU) BEER PRODUCTION CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-SEVEN OF THIS CHAPTER AGAINST THE TAX IMPOSED BY THIS ARTICLE. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER THAT NO INTEREST SHALL BE PAID THEREON.

(VV) BEER LABEL CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION THIRTY-SEVEN OF THIS CHAPTER AGAINST THE TAX IMPOSED BY THIS ARTICLE. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER THAT NO INTEREST SHALL BE PAID THEREON.

S 5. This act shall take effect immediately.

#### PART E

Section 1. Section 7 of part P of chapter 60 of the laws of 2004, amending the tax law relating to the empire state film production credit, is REPEALED.



1 S 2. Section 24 of the tax law is amended by adding a new subdivision  
2 (e) to read as follows:

3 (E) ALLOCATION OF CREDIT. (1) THE AGGREGATE AMOUNT OF TAX CREDITS  
4 ALLOWED UNDER THIS SECTION, SUBDIVISION THIRTY-SIX OF SECTION TWO  
5 HUNDRED TEN AND SUBSECTION (GG) OF SECTION SIX HUNDRED SIX OF THIS CHAP-  
6 TER IN ANY CALENDAR YEAR SHALL BE TWENTY-FIVE MILLION DOLLARS IN TWO  
7 THOUSAND FOUR AND TWO THOUSAND FIVE, SIXTY MILLION DOLLARS IN TWO THOU-  
8 SAND SIX AND TWO THOUSAND SEVEN, SIXTY-FIVE MILLION DOLLARS IN TWO THOU-  
9 SAND EIGHT, SEVENTY-FIVE MILLION DOLLARS IN TWO THOUSAND NINE,  
10 EIGHTY-FIVE MILLION DOLLARS IN TWO THOUSAND TEN, NINETY MILLION DOLLARS  
11 IN TWO THOUSAND ELEVEN AND TWO THOUSAND TWELVE, AND ONE HUNDRED TEN  
12 MILLION DOLLARS IN TWO THOUSAND THIRTEEN. SUCH AGGREGATE AMOUNT OF CRED-  
13 ITS SHALL BE ALLOCATED BY THE GOVERNOR'S OFFICE FOR MOTION PICTURE AND  
14 TELEVISION DEVELOPMENT AMONG TAXPAYERS IN ORDER OF PRIORITY BASED UPON  
15 THE DATE OF FILING AN APPLICATION FOR ALLOCATION OF FILM PRODUCTION  
16 CREDIT WITH SUCH OFFICE. IF THE TOTAL AMOUNT OF ALLOCATED CREDITS  
17 APPLIED FOR IN ANY PARTICULAR YEAR EXCEEDS THE AGGREGATE AMOUNT OF TAX  
18 CREDITS ALLOWED FOR SUCH YEAR UNDER THIS SECTION, SUCH EXCESS SHALL BE  
19 TREATED AS HAVING BEEN APPLIED FOR ON THE FIRST DAY OF THE SUBSEQUENT  
20 YEAR.

21 (2) THE AGGREGATE AMOUNT OF TAX CREDITS ALLOWED PURSUANT TO THE  
22 AUTHORITY OF SUBDIVISION (B) OF SECTION TWELVE HUNDRED ONE-A OF THIS  
23 CHAPTER IN ANY CALENDAR YEAR SHALL BE TWELVE MILLION FIVE HUNDRED THOU-  
24 SAND DOLLARS IN TWO THOUSAND FOUR AND TWO THOUSAND FIVE AND THIRTY  
25 MILLION DOLLARS IN TWO THOUSAND SIX THROUGH TWO THOUSAND ELEVEN. SUCH  
26 AGGREGATE AMOUNT OF CREDITS SHALL BE ALLOCATED BY THE MAYOR'S OFFICE OF  
27 FILM, THEATER AND BROADCASTING AMONG TAXPAYERS IN ORDER OF PRIORITY  
28 BASED UPON THE DATE OF FILING AN APPLICATION FOR ALLOCATION OF FILM  
29 PRODUCTION CREDIT WITH SUCH OFFICE. IF THE TOTAL AMOUNT OF ALLOCATED  
30 CREDITS APPLIED FOR IN ANY PARTICULAR YEAR EXCEEDS THE AGGREGATE AMOUNT  
31 OF TAX CREDITS ALLOWED FOR SUCH YEAR UNDER THIS SECTION, SUCH EXCESS  
32 SHALL BE TREATED AS HAVING BEEN APPLIED FOR ON THE FIRST DAY OF THE  
33 SUBSEQUENT YEAR.

34 (3) ADDITIONAL POOL 1 - THE AGGREGATE AMOUNT OF TAX CREDITS ALLOWED IN  
35 SUBDIVISION (A) OF THIS SECTION SHALL BE INCREASED BY AN ADDITIONAL  
36 THREE HUNDRED FIFTY MILLION DOLLARS IN TWO THOUSAND NINE. THIS ADDI-  
37 TIONAL AMOUNT SHALL BE ALLOCATED BY THE GOVERNOR'S OFFICE FOR MOTION  
38 PICTURE AND TELEVISION DEVELOPMENT AMONG TAXPAYERS IN ACCORDANCE WITH  
39 SUBDIVISION (A) OF THIS SECTION.

40 (4) ADDITIONAL POOL 2 - THE AGGREGATE AMOUNT OF TAX CREDITS ALLOWED IN  
41 SUBDIVISION (A) OF THIS SECTION SHALL BE INCREASED BY AN ADDITION FOUR  
42 HUNDRED TWENTY MILLION DOLLARS IN TWO THOUSAND TEN, FOUR HUNDRED TWENTY  
43 MILLION DOLLARS IN TWO THOUSAND ELEVEN, FOUR HUNDRED TWENTY MILLION  
44 DOLLARS IN TWO THOUSAND TWELVE, FOUR HUNDRED TWENTY MILLION DOLLARS IN  
45 TWO THOUSAND THIRTEEN AND FOUR HUNDRED TWENTY MILLION DOLLARS IN TWO  
46 THOUSAND FOURTEEN PROVIDED HOWEVER, SEVEN MILLION DOLLARS OF THE ANNUAL  
47 ALLOCATION SHALL BE AVAILABLE FOR THE EMPIRE STATE FILM POST PRODUCTION  
48 CREDIT PURSUANT TO SECTION THIRTY-ONE OF THIS CHAPTER. THIS AMOUNT  
49 SHALL BE ALLOCATED BY THE GOVERNOR'S OFFICE FOR MOTION PICTURE AND TELE-  
50 VISION DEVELOPMENT AMONG TAXPAYERS IN ACCORDANCE WITH SUBDIVISION (A) OF  
51 THIS SECTION. IF THE DIRECTOR OF THE GOVERNOR'S OFFICE FOR MOTION  
52 PICTURE AND TELEVISION DEVELOPMENT DETERMINES THAT THE AGGREGATE AMOUNT  
53 OF TAX CREDITS AVAILABLE FROM ADDITIONAL POOL 2 FOR THE EMPIRE STATE  
54 FILM PRODUCTION TAX CREDIT HAVE BEEN PREVIOUSLY ALLOCATED, AND DETER-  
55 MINES THAT THE PENDING APPLICATIONS FROM ELIGIBLE APPLICANTS FOR THE  
56 POST PRODUCTION TAX CREDIT PURSUANT TO SECTION THIRTY-ONE OF THIS CHAP-

TER IS INSUFFICIENT TO UTILIZE THE BALANCE OF UNALLOCATED POST PRODUCTION TAX CREDITS FROM SUCH POOL, THE REMAINDER, AFTER SUCH PENDING APPLICATIONS ARE CONSIDERED, SHALL BE MADE AVAILABLE FOR ALLOCATION IN THE EMPIRE STATE FILM TAX CREDIT PURSUANT TO THIS SECTION, SUBDIVISION THIRTY-SIX OF SECTION TWO HUNDRED TEN AND SUBSECTION (GG) OF SECTION SIX HUNDRED SIX OF THIS CHAPTER. THE GOVERNOR'S OFFICE FOR MOTION PICTURE AND TELEVISION DEVELOPMENT MUST NOTIFY TAXPAYERS OF THEIR ALLOCATION YEAR AND INCLUDE THE ALLOCATION YEAR ON THE CERTIFICATE OF TAX CREDIT. TAXPAYERS ELIGIBLE TO CLAIM A CREDIT MUST REPORT THE ALLOCATION YEAR DIRECTLY ON THEIR EMPIRE STATE FILM PRODUCTION CREDIT TAX FORM FOR EACH YEAR A CREDIT IS CLAIMED AND INCLUDE A COPY OF THE CERTIFICATE WITH THEIR TAX RETURN. IN THE CASE OF A QUALIFIED FILM THAT RECEIVES FUNDS FROM ADDITIONAL POOL 2, NO EMPIRE STATE FILM PRODUCTION CREDIT SHALL BE CLAIMED BEFORE THE LATER OF THE TAXABLE YEAR THE PRODUCTION OF THE QUALIFIED FILM IS COMPLETE, OR THE TAXABLE YEAR IMMEDIATELY FOLLOWING THE ALLOCATION YEAR FOR WHICH THE FILM HAS BEEN ALLOCATED CREDIT BY THE GOVERNOR'S OFFICE FOR MOTION PICTURE AND TELEVISION DEVELOPMENT.

S 3. Paragraph 2 of subdivision (a) and subdivision (c) of section 31 of the tax law, as added by section 12 of part Q of chapter 57 of the laws of 2010, are amended to read as follows:

(2) The amount of the credit shall be the product (or pro rata share of the product, in the case of a member of a partnership) of [ten] THIRTY percent and the qualified post production costs paid in the production of a qualified film at a qualified post production facility.

(c) Notwithstanding any other provision of law to the contrary, the aggregate amount of tax credits available under this section shall not exceed the amounts allowed pursuant to PARAGRAPH FOUR OF subdivision (e) of section [seven of part P of chapter sixty of the laws of two thousand four] TWENTY-FOUR OF THIS ARTICLE and shall be allocated in the same manner as provided for in PARAGRAPH ONE OF subdivision [(a)] (E) of section [seven of part P of chapter sixty of the laws of two thousand four] TWENTY-FOUR OF THIS ARTICLE.

S 4. This act shall take effect immediately.

#### PART F

Section 1. The general municipal law is amended by adding a new section 959-c to read as follows:

S 959-C. CERTIFIED STARTUP BUSINESS ENTERPRISE. (A) CERTIFICATION. (I) THE COMMISSIONER SHALL APPROVE APPLICATIONS FOR QUALIFICATION OF A BUSINESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE. AS A CONDITION FOR APPROVAL OF SUCH APPLICATION, THE COMMISSIONER IS AUTHORIZED TO SPECIFY CERTAIN REQUIREMENTS TO BE SATISFIED AS A CONDITION FOR APPROVAL OF A BUSINESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE AS THE COMMISSIONER DEEMS NECESSARY TO ENSURE THE QUALIFYING ANGEL INVESTMENT WILL MAKE A SUBSTANTIAL CONTRIBUTION TO THE ECONOMIC DEVELOPMENT OF THIS STATE, INCLUDING THE USE OF A SYSTEM OF EVALUATION OF VARIOUS APPLICANT BUSINESS ENTERPRISES IN A COMPETITIVE FASHION.

(II) WITH RESPECT TO AN APPROVED APPLICATION FOR QUALIFICATION OF A BUSINESS ENTERPRISE AS A CERTIFIED STARTUP BUSINESS ENTERPRISE, THE COMMISSIONER SHALL ISSUE TO SUCH BUSINESS ENTERPRISE A CERTIFICATE OF QUALIFICATION AS A CERTIFIED STARTUP BUSINESS ENTERPRISE SETTING FORTH THE EFFECTIVE DATE OF THE CERTIFICATION AND THE AMOUNT OF QUALIFYING ANGEL INVESTMENT AWARDED TO SUCH BUSINESS ENTERPRISE, WHICH AMOUNT SHALL BE NO LESS THAN ONE HUNDRED THOUSAND DOLLARS AND NO MORE THAN ONE MILLION DOLLARS.

(III) FOR THE PERIOD JULY FIRST, TWO THOUSAND TWELVE THROUGH JUNE THIRTIETH, TWO THOUSAND THIRTEEN, THE COMMISSIONER MAY CERTIFY UP TO SEVEN MILLION DOLLARS IN QUALIFYING ANGEL INVESTMENT. FOR THE PERIOD JULY FIRST, TWO THOUSAND THIRTEEN THROUGH JUNE THIRTIETH, TWO THOUSAND FOURTEEN, THE COMMISSIONER MAY CERTIFY UP TO SEVEN MILLION DOLLARS IN QUALIFYING ANGEL INVESTMENT. FOR THE PERIOD JULY FIRST, TWO THOUSAND FOURTEEN THROUGH JUNE THIRTIETH, TWO THOUSAND FIFTEEN, THE COMMISSIONER MAY CERTIFY UP TO SEVEN MILLION DOLLARS IN QUALIFYING ANGEL INVESTMENT.

(B) DEFINITIONS. AS USED IN THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

(I) "CERTIFIED STARTUP BUSINESS ENTERPRISE" SHALL MEAN A BUSINESS ENTERPRISE LOCATED IN NEW YORK STATE:

(1) WITH LESS THAN FIVE MILLION DOLLARS IN ANNUAL REVENUES;

(2) WHOSE PRIMARY ACTIVITY CONSISTS OF A QUALIFYING TECHNOLOGY OR INNOVATION ACTIVITY; AND

(3) THAT HAS BEEN CERTIFIED AS A CERTIFIED STARTUP BUSINESS ENTERPRISE BY THE COMMISSIONER.

(II) "QUALIFYING TECHNOLOGY OR INNOVATION ACTIVITY" SHALL MEAN:

(1) BIOTECHNOLOGIES, WHICH SHALL BE DEFINED AS TECHNOLOGIES INVOLVING THE SCIENTIFIC MANIPULATION OF LIVING ORGANISMS, ESPECIALLY AT THE MOLECULAR AND/OR THE SUB-MOLECULAR GENETIC LEVEL, TO PRODUCE PRODUCTS CONDUCIVE TO IMPROVING THE LIVES AND HEALTH OF PLANTS, ANIMALS, AND HUMANS; AND THE ASSOCIATED SCIENTIFIC RESEARCH, PHARMACOLOGICAL, MECHANICAL, AND COMPUTATIONAL APPLICATIONS AND SERVICES CONNECTED WITH THESE IMPROVEMENTS;

(2) INFORMATION AND COMMUNICATION TECHNOLOGIES, EQUIPMENT AND SYSTEMS THAT INVOLVE ADVANCED COMPUTER SOFTWARE AND HARDWARE, VISUALIZATION TECHNOLOGIES, AND HUMAN INTERFACE TECHNOLOGIES;

(3) ADVANCED MATERIALS AND PROCESSING TECHNOLOGIES THAT INVOLVE THE DEVELOPMENT, MODIFICATION, OR IMPROVEMENT OF ONE OR MORE MATERIALS OR METHODS TO PRODUCE DEVICES AND STRUCTURES WITH IMPROVED PERFORMANCE CHARACTERISTICS OR SPECIAL FUNCTIONAL ATTRIBUTES, OR TO ACTIVATE, SPEED UP, OR OTHERWISE ALTER CHEMICAL, BIOCHEMICAL, OR MEDICAL PROCESSES;

(4) ELECTRONIC AND PHOTONIC DEVICES AND COMPONENTS FOR USE IN PRODUCING ELECTRONIC, OPTOELECTRONIC, MECHANICAL EQUIPMENT AND PRODUCTS OF ELECTRONIC DISTRIBUTION WITH INTERACTIVE MEDIA CONTENT;

(5) ENERGY EFFICIENCY, RENEWABLE ENERGY AND ENVIRONMENTAL TECHNOLOGIES, PRODUCTS, DEVICES AND SERVICES; OR

(6) SMALL SCALE SYSTEMS INTEGRATION AND PACKAGING.

(III) "QUALIFYING ANGEL INVESTMENT" SHALL MEAN A CONTRIBUTION TO THE CAPITAL OF A CERTIFIED STARTUP BUSINESS ENTERPRISE, PROVIDED THAT SUCH CONTRIBUTION TO CAPITAL IS MADE WITHIN TWELVE MONTHS AFTER THE EFFECTIVE DATE OF THE CERTIFIED TECHNOLOGY VENTURE'S CERTIFICATE OF QUALIFICATION AS A CERTIFIED TECHNOLOGY VENTURE AND SUCH CONTRIBUTION IS APPLIED BY THE CERTIFIED STARTUP BUSINESS ENTERPRISE AGAINST ITS ALLOCATION OF QUALIFYING ANGEL INVESTMENT. TOGETHER WITH ALL OTHER QUALIFYING ANGEL INVESTMENTS MADE TO A SINGLE CERTIFIED STARTUP BUSINESS ENTERPRISE, THE TOTAL QUALIFYING ANGEL INVESTMENT MAY NOT EXCEED ONE MILLION DOLLARS. NOTHING HEREIN SHALL PROHIBIT A PERSON MAKING A QUALIFYING ANGEL INVESTMENT FROM MAKING ADDITIONAL CONTRIBUTIONS TO THE CAPITAL OF THE CERTIFIED STARTUP BUSINESS ENTERPRISE OR MAKING LOANS TO OR OTHER INVESTMENTS IN THE CERTIFIED STARTUP BUSINESS ENTERPRISE, PROVIDED, HOWEVER, THAT SUCH OTHER CONTRIBUTIONS, LOANS AND INVESTMENTS SHALL NOT BE TREATED AS QUALIFYING ANGEL INVESTMENTS.

S 2. Section 210 of the tax law is amended by adding a new subdivision 12-H to read as follows:

12-H. ANGEL TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO THIRTY-FIVE PERCENT OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

(B) APPLICATION OF CREDIT. 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. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED 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.

S 3. Section 606 of the tax law is amended by adding a new subdivision (uu) to read as follows:

(UU) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE GENERAL MUNICIPAL LAW, OR THAT IS A MEMBER OF A PARTNERSHIP THAT HAS MADE A QUALIFYING ANGEL INVESTMENT, SHALL BE ALLOWED A CREDIT EQUAL TO THIRTY-FIVE PERCENT OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT OR, IN THE CASE OF A TAXPAYER WHO IS A MEMBER OF A PARTNERSHIP THAT HAS MADE A QUALIFYING ANGEL INVESTMENT, A PORTION OF SUCH QUALIFYING ANGEL INVESTMENT EQUAL TO THE PORTION OF ITEMS OF INCOME, GAIN, LOSS AND DEDUCTION ASSOCIATED WITH THE QUALIFYING ANGEL INVESTMENT PROPERLY ALLOCABLE TO SUCH TAXPAYER UNDER SECTION 704 OF THE INTERNAL REVENUE CODE FOR THE TAXABLE YEAR.

(2) APPLICATION OF CREDIT. IF THE AMOUNT OF THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT OF TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF SECTION SIX HUNDRED EIGHTY-SIX OF THIS ARTICLE, PROVIDED, HOWEVER, THAT NO INTEREST SHALL BE PAID THEREON.

S 4. Section 1456 of the tax law is amended by adding a new subdivision (z) to read as follows:

(Z) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO THIRTY-FIVE PERCENT OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

(2) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS THAN THE MINIMUM TAX FIXED BY SUBSECTION (B) OF SECTION FOURTEEN HUNDRED FIFTY-FIVE OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED 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.

S 5. Section 1511 of the tax law is amended by adding a new subdivision (cc) to read as follows:

1 (CC) ANGEL TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER THAT HAS  
2 MADE A QUALIFYING ANGEL INVESTMENT, AS SUCH TERM IS DEFINED IN PARAGRAPH  
3 (III) OF SUBDIVISION (B) OF SECTION NINE HUNDRED FIFTY-NINE-C OF THE  
4 GENERAL MUNICIPAL LAW, SHALL BE ALLOWED A CREDIT EQUAL TO THIRTY-FIVE  
5 PERCENT OF THE AMOUNT OF SUCH QUALIFYING ANGEL INVESTMENT.

6 (2) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION  
7 FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR SUCH YEAR TO LESS  
8 THAN THE MINIMUM TAX FIXED BY PARAGRAPH FOUR OF SUBDIVISION (A) OF  
9 SECTION FIFTEEN HUNDRED TWO OF THIS ARTICLE OR BY SECTION FIFTEEN  
10 HUNDRED TWO-A OF THIS ARTICLE, WHICHEVER IS APPLICABLE. HOWEVER, IF THE  
11 AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR  
12 REDUCES THE TAX TO SUCH AMOUNT, THEN ANY AMOUNT OF CREDIT THUS NOT  
13 DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE TREATED AS AN OVERPAYMENT OF  
14 TAX TO BE CREDITED OR REFUNDED IN ACCORDANCE WITH THE PROVISIONS OF  
15 SECTION TEN HUNDRED EIGHTY-SIX OF THIS CHAPTER. PROVIDED, HOWEVER, THE  
16 PROVISIONS OF SUBSECTION (C) OF SECTION TEN HUNDRED EIGHTY-EIGHT OF THIS  
17 CHAPTER NOTWITHSTANDING, NO INTEREST SHALL BE PAID THEREON.

18 S 6. This act shall take effect immediately.

19 S 3. Severability clause. If any clause, sentence, paragraph, subdivi-  
20 sion, section or part of this act shall be adjudged by any court of  
21 competent jurisdiction to be invalid, such judgment shall not affect,  
22 impair, or invalidate the remainder thereof, but shall be confined in  
23 its operation to the clause, sentence, paragraph, subdivision, section  
24 or part thereof directly involved in the controversy in which such judg-  
25 ment shall have been rendered. It is hereby declared to be the intent of  
26 the legislature that this act would have been enacted even if such  
27 invalid provisions had not been included herein.

28 S 4. This act shall take effect immediately provided, however, that  
29 the applicable effective date of Parts A through F of this act shall be  
30 as specifically set forth in the last section of such Parts.