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

5575

2013-2014 Regular Sessions

I N A S S E M B L Y

March 1, 2013

Introduced by M. of A. KOLB, TEDISCO, BUTLER, CORWIN -- Multi-Sponsored by -- M. of A. BARCLAY, CROUCH, DUPREY, FINCH, FITZPATRICK, GIGLIO, GOODELL, HAWLEY, JORDAN, P. LOPEZ, McDONOUGH, McKEVITT, OAKS, RA, RABBITT, RAIA, REILICH, SALADINO, TENNEY, THIELE -- read once and referred to the Committee on Economic Development

AN ACT to amend the economic development law, in relation to establishing an incentive program for manufacturers that maintain or increase employment, and to amend the tax law, in relation to establishing tax credit incentives for manufacturing firms enrolled in the program

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

Section 1. Short title. This act shall be known and may be cited as the "manufacturing preservation and enhancement act".

S 2. Legislative findings and intent. The legislature finds and determines that historically, manufacturing firms have helped to build our state. Today, manufacturing jobs are an essential part of the state's economy. Accordingly, the state should offer programs that foster growth in this important sector of the state economy. The purpose of this legislation is to establish a tax incentive program that would provide tax credits to manufacturing firms that create new jobs in the manufacturing sector over a specified period of time.

S 3. The economic development law is amended by adding a new article 15 to read as follows:

ARTICLE 15

MANUFACTURING PRESERVATION AND ENHANCEMENT ACT

SECTION 270. DEFINITIONS.
271. MANUFACTURING PRESERVATION AND ENHANCEMENT PROGRAM.
272. SPECIAL PROVISIONS RELATING TO CERTIFIED MANUFACTURERS.
273. REPORTING.

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

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S 270. DEFINITIONS. AS USED IN THIS ARTICLE, THE FOLLOWING WORDS AND TERMS SHALL HAVE THE FOLLOWING MEANINGS UNLESS THE CONTENT SHALL INDICATE ANOTHER OR DIFFERENT MEANING OR INTENT:

1. "PROGRAM" SHALL MEAN THE MANUFACTURING PRESERVATION AND ENHANCEMENT PROGRAM ESTABLISHED PURSUANT TO THIS ARTICLE.

2. "MANUFACTURING FIRM" SHALL MEAN AN ENTERPRISE, INCLUDING CORPORATE ENTITIES, PARTNERSHIPS AND SOLE PROPRIETORS, ENGAGED IN THE BUSINESS OF PRODUCTION OF GOODS AND PRODUCTS FROM RAW MATERIALS.

3. "BENCHMARK" SHALL MEAN A SPECIFIC NUMBER OF ELIGIBLE NEW JOBS CREATED IN THE STATE PURSUANT TO THE PROGRAM.

4. "MEI" SHALL MEAN THE MANUFACTURING ENHANCEMENT INCENTIVE PROGRAM.

S 271. MANUFACTURING PRESERVATION AND ENHANCEMENT PROGRAM. 1. THERE IS HEREBY CREATED A MANUFACTURING PRESERVATION AND ENHANCEMENT PROGRAM WITHIN THE DEPARTMENT TO PROVIDE TECHNICAL AND FINANCIAL ASSISTANCE IN THE FORM OF TAX INCENTIVES TO MANUFACTURING FIRMS THAT MEET SPECIFIED BENCHMARKS IN JOB CREATION AS ESTABLISHED BY THE COMMISSIONER.

2. THE COMMISSIONER SHALL DETERMINE ELIGIBILITY REQUIREMENTS FOR PARTICIPATION IN THE PROGRAM, PROVIDED, HOWEVER, THAT SUCH REQUIREMENTS SHALL INCLUDE THE FOLLOWING:

(A) AN APPLICANT TO THE PROGRAM MAY NOT PARTICIPATE IN THE PROGRAM IF DESIGNATED AS A CERTIFIED BUSINESS LOCATED IN AN EMPIRE ZONE CREATED PURSUANT TO ARTICLE EIGHTEEN-B OF THE GENERAL MUNICIPAL LAW; AND

(B) AN APPLICANT THAT HAS PREVIOUSLY PARTICIPATED IN THE PROGRAM MAY NOT REAPPLY FOR PARTICIPATION IN THE PROGRAM UNLESS IT CAN DOCUMENT THAT AT THE TIME OF ITS REAPPLICATION FOR PARTICIPATION, IT HAS MAINTAINED A LEVEL OF EMPLOYMENT AT LEAST AS GREAT AS THE HIGHEST LEVEL REQUIRED DURING ITS PREVIOUS PARTICIPATION IN THE PROGRAM.

3. APPLICATIONS FOR PARTICIPATION IN THE MEI SHALL BE SUBMITTED BY EACH MANUFACTURING FIRM SEEKING TO PARTICIPATE IN THE PROGRAM, AND SHALL BE IN THE FORM AND CONTAIN SUCH INFORMATION, EXHIBITS AND SUPPORTING DATA AS THE COMMISSIONER MAY PRESCRIBE. NO APPLICATIONS FOR PARTICIPATION SHALL BE ACCEPTED AFTER DECEMBER THIRTY-FIRST, TWO THOUSAND TWENTY-ONE.

4. MANUFACTURING FIRMS INTERESTED IN PARTICIPATING IN THE MEI SHALL SUBMIT AN APPLICATION TO THE PROGRAM. THE COMMISSIONER SHALL REVIEW ALL APPLICATIONS FOR PARTICIPATION IN THE PROGRAM FOR ELIGIBILITY AND SHALL REGISTER ELIGIBLE APPLICANTS. THE COMMISSIONER SHALL PROVIDE EACH REGISTERED APPLICANT WITH BENCHMARKS IN JOB CREATION THAT MUST BE ACHIEVED BY THE REGISTERED APPLICANT OVER THE FOLLOWING ONE YEAR. SUCH BENCHMARKS SHALL BE CONSISTENT WITH REGULATIONS TO BE PRESCRIBED BY THE COMMISSIONER. ANNUALLY, EACH REGISTERED APPLICANT SHALL SUBMIT TO THE COMMISSIONER A REGISTRATION STATEMENT, TOGETHER WITH SUCH INFORMATION, EXHIBITS AND SUPPORTING DATA AS THE COMMISSIONER MAY REQUIRE. UPON SUBMISSION OF THE SECOND ANNUAL REGISTRATION STATEMENT, THE COMMISSIONER SHALL REVIEW THE REGISTERED APPLICANT'S FILE FOR ELIGIBILITY FOR THE TAX INCENTIVES. IF THE REGISTERED APPLICANT HAS MET THE REQUIRED BENCHMARKS IN JOB CREATION, THE COMMISSIONER SHALL PROVIDE A CERTIFICATE, VALID FOR THE SUCCEEDING FIVE TAX YEARS, CERTIFYING THAT THE REGISTERED APPLICANT IS ELIGIBLE FOR TAX CREDITS PURSUANT TO THIS ARTICLE. THE MEI CERTIFICATE SHALL INCLUDE A DESCRIPTION OF THE PROPERTY ELIGIBLE FOR THE PROPERTY TAX BENEFIT AND SHALL SPECIFY THE EMPLOYMENT LEVEL AND TOTAL AMOUNT OF EMPLOYEE GROSS SALARY ELIGIBLE FOR THE WAGE CREDIT.

S 272. SPECIAL PROVISIONS RELATING TO CERTIFIED MANUFACTURERS. DURING THE FIVE-YEAR CERTIFICATION PERIOD, CERTIFIED MANUFACTURING FIRMS SHALL BE ELIGIBLE TO RECEIVE THE FOLLOWING TAX CREDITS:

1. AN MEI PROPERTY TAX CREDIT, WHICH SHALL BE COMPUTED PURSUANT TO SECTION EIGHT HUNDRED FIFTY-ONE OF THE TAX LAW;
2. AN MEI WAGE TAX CREDIT, WHICH SHALL BE COMPUTED PURSUANT TO SECTION EIGHT HUNDRED FIFTY-TWO OF THE TAX LAW; AND
3. AN MEI ENERGY TAX CREDIT, WHICH SHALL BE COMPUTED PURSUANT TO SECTION EIGHT HUNDRED FIFTY-THREE OF THE TAX LAW.

S 273. REPORTING. THE COMMISSIONER SHALL, ON OR BEFORE SEPTEMBER FIRST, TWO THOUSAND FIFTEEN, AND ANNUALLY THEREAFTER, SUBMIT A REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE MINORITY LEADER OF THE SENATE AND THE MINORITY LEADER OF THE ASSEMBLY ON THE OPERATION AND ACCOMPLISHMENTS OF THE PROGRAM PROVIDED FOR PURSUANT TO THIS ARTICLE.

S 4. The tax law is amended by adding a new article 24 to read as follows:

ARTICLE 24

MANUFACTURING PRESERVATION AND ENHANCEMENT ACT

SECTION 851. MEI PROPERTY TAX CREDIT.
852. MEI WAGE TAX CREDIT.
853. MEI ENERGY TAX CREDIT.

S 851. MEI PROPERTY TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER RECEIVING AN MEI CERTIFICATE ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND THAT OR WHO IS SUBJECT TO PROPERTY TAXES UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER, SHALL BE ALLOWED A CREDIT AGAINST THE PROPERTY TAXES ASSESSED UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER DURING THE TAX YEARS THAT THE CERTIFICATE IS VALID, PROVIDED, AND TO THE EXTENT THAT, THE TAXES ASSESSED CONSTITUTE ELIGIBLE REAL PROPERTY TAXES AS DEFINED IN SUBSECTION (B) OF THIS SECTION. THE CREDIT SHALL BE COMPUTED PURSUANT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION.

(B) DEFINITION. THE TERM "ELIGIBLE REAL PROPERTY TAXES" SHALL MEAN TAX IMPOSED ON REAL PROPERTY WHICH HAS BEEN CERTIFIED AS MEI ELIGIBLE PROPERTY PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW. IN ADDITION, THE TERM "ELIGIBLE REAL PROPERTY TAXES" INCLUDES PAYMENTS IN LIEU OF TAXES MADE BY THE TAXPAYER TO THE STATE, A MUNICIPAL CORPORATION OR A PUBLIC BENEFIT CORPORATION PURSUANT TO A WRITTEN AGREEMENT ENTERED INTO BY THE TAXPAYER AND THE STATE, MUNICIPAL CORPORATION OR PUBLIC BENEFIT CORPORATION.

(C) COMPUTATION OF PROPERTY TAX CREDIT. THE PROPERTY TAX CREDIT DESCRIBED IN THIS SECTION SHALL BE A FLAT TEN PERCENT OF THE PROPERTY TAX ASSESSED.

S 852. MEI WAGE TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER RECEIVING AN MEI CERTIFICATE THAT HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND THAT OR WHO IS SUBJECT TO TAXES UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER, SHALL BE ALLOWED A CREDIT AGAINST THE TAXES ASSESSED UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER DURING THE TAX YEARS THAT THE CERTIFICATE IS VALID. THE CREDIT SHALL BE COMPUTED PURSUANT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION.

(B) DEFINITIONS. THE TERM "ELIGIBLE WAGES" SHALL MEAN THE TOTAL AMOUNT OF EMPLOYEE GROSS SALARY ELIGIBLE FOR THE WAGE TAX CREDIT, AS SUCH AMOUNT IS SPECIFIED IN THE MEI CERTIFICATE ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW.

(C) COMPUTATION OF WAGE TAX CREDIT. (1) DURING THE FIRST TAX YEAR OF THE FIVE-YEAR PERIOD FOR WHICH A VALID MEI CERTIFICATE HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, PROVIDED THE TAXPAYER HAS MAINTAINED THE EMPLOYMENT AND ELIGIBLE WAGE REQUIRE-

MENTS SPECIFIED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, THE TAXPAYER SHALL BE ALLOWED A CREDIT OF ONE AND ONE-HALF PERCENT OF THE TOTAL AMOUNT OF THE ELIGIBLE WAGES ACTUALLY PAID BY THE TAXPAYER. IF THE TAXPAYER INCREASES EMPLOYMENT DURING THIS TAX YEAR, AND EXCEEDS THE LEVEL OF EMPLOYMENT REQUIRED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, HIRING AND MAINTAINING ADDITIONAL EMPLOYEES AND PAYING ADDITIONAL WAGES OVER AND ABOVE THE ELIGIBLE WAGES AMOUNT, THE TAXPAYER SHALL BE ALLOWED AN ADDITIONAL CREDIT OF TWO AND ONE-HALF PERCENT OF THE TOTAL AMOUNT BY WHICH THE WAGES ACTUALLY PAID AS A RESULT OF THE INCREASED LEVEL OF EMPLOYMENT EXCEED THE ELIGIBLE WAGES.

(2) DURING THE SECOND TAX YEAR OF THE FIVE-YEAR PERIOD FOR WHICH A VALID MEI CERTIFICATE HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, PROVIDED THE TAXPAYER HAS MAINTAINED THE EMPLOYMENT AND ELIGIBLE WAGE REQUIREMENTS SPECIFIED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, THE TAXPAYER SHALL BE ALLOWED A CREDIT OF ONE AND ONE-HALF PERCENT OF THE TOTAL AMOUNT OF THE ELIGIBLE WAGES ACTUALLY PAID BY THE TAXPAYER; HOWEVER, IF THE TAXPAYER INCREASED EMPLOYMENT IN THE PRECEDING TAX YEAR AND CLAIMED THE TWO AND ONE-HALF PERCENT CREDIT FOR EMPLOYMENT AND PAYMENT OF WAGES IN EXCESS OF THE MEI REQUIREMENTS PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, THE TAXPAYER SHALL BE ALLOWED A CREDIT OF ONE AND ONE-HALF PERCENT OF THE TOTAL AMOUNT OF THE ELIGIBLE WAGES ACTUALLY PAID BY THE TAXPAYER DURING THE PRECEDING TAX YEAR, PROVIDED THE TAXPAYER HAS MAINTAINED THE INCREASED EMPLOYMENT AND SALARY LEVELS. IF THE TAXPAYER AGAIN INCREASES EMPLOYMENT, HIRING AND MAINTAINING ADDITIONAL EMPLOYEES AND PAYING ADDITIONAL WAGES OVER AND ABOVE THE PREVIOUS TAX YEAR'S AMOUNT, THE TAXPAYER SHALL BE ALLOWED AN ADDITIONAL CREDIT OF TWO AND ONE-HALF PERCENT OF THE TOTAL AMOUNT BY WHICH THE WAGES ACTUALLY PAID AS A RESULT OF THE INCREASED LEVEL OF EMPLOYMENT EXCEED THE WAGES SUBJECT TO THE ONE AND ONE-HALF PERCENT CREDIT.

S 853. MEI ENERGY TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER RECEIVING AN MEI CERTIFICATE HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, AND THAT OR WHO IS SUBJECT TO TAXES UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER, SHALL BE ALLOWED A CREDIT AGAINST THE TAXES ASSESSED UNDER ARTICLE NINE-A OR ARTICLE TWENTY-TWO OF THIS CHAPTER DURING THE TAX YEARS THAT THE CERTIFICATE IS VALID. THE CREDIT SHALL BE COMPUTED PURSUANT TO THE PROVISIONS OF SUBSECTION (C) OF THIS SECTION.

(B) DEFINITION. THE TERM "ELIGIBLE ENERGY COSTS" SHALL MEAN THE AMOUNTS PAID BY THE TAXPAYER FOR ELECTRICITY, NATURAL GAS, OR ANY OTHER ENERGY PRODUCT OR SERVICE WHICH THE TAXPAYER HAS USED IN THE OPERATION OF A MEI CERTIFIED MANUFACTURING FIRM FACILITY PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW.

(C) COMPUTATION OF ENERGY CREDIT. (1) IF THE TAXPAYER HAS PAID ELIGIBLE ENERGY COSTS DURING THE FIRST TAX YEAR OF THE FIVE-YEAR PERIOD FOR WHICH A VALID MEI CERTIFICATE HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, PROVIDED THE TAXPAYER HAS MAINTAINED THE EMPLOYMENT AND ELIGIBLE WAGES REQUIREMENTS SPECIFIED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, THE TAXPAYER SHALL BE ALLOWED AN ENERGY CREDIT OF TWENTY-FIVE DOLLARS PER EMPLOYEE REQUIRED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW. IF THE TAXPAYER INCREASES EMPLOYMENT DURING THIS TAX YEAR, AND EXCEEDS THE LEVEL OF EMPLOYMENT REQUIRED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, HIRING AND MAINTAINING ADDITIONAL EMPLOYEES AND PAYING ADDITIONAL WAGES OVER

AND ABOVE THE ELIGIBLE WAGES AMOUNT, THE TAXPAYER SHALL BE ALLOWED AN ADDITIONAL ENERGY CREDIT OF FIFTY DOLLARS PER EACH ADDITIONAL EMPLOYEE. THE ENERGY TAX CREDIT SHALL NOT EXCEED THE AMOUNT OF ELIGIBLE ENERGY COSTS ACTUALLY PAID BY THE TAXPAYER.

(2) IF THE TAXPAYER HAS PAID ELIGIBLE ENERGY COSTS DURING THE SECOND TAX YEAR OF THE FIVE-YEAR PERIOD FOR WHICH A VALID MEI CERTIFICATE HAS BEEN ISSUED PURSUANT TO ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, PROVIDED THE TAXPAYER HAS MAINTAINED THE EMPLOYMENT AND ELIGIBLE WAGE REQUIREMENTS SPECIFIED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW, THE TAXPAYER SHALL BE ALLOWED AN ENERGY CREDIT OF TWENTY-FIVE DOLLARS PER EMPLOYEE REQUIRED BY THE MEI AS DEFINED IN ARTICLE FIFTEEN OF THE ECONOMIC DEVELOPMENT LAW; HOWEVER, IF THE TAXPAYER INCREASED EMPLOYMENT DURING THE PRECEDING TAX YEAR AND CLAIMED THE ADDITIONAL ENERGY TAX CREDIT OF FIFTY DOLLARS PER ADDITIONAL EMPLOYEE, THE TAXPAYER SHALL BE ALLOWED A CREDIT OF TWENTY-FIVE DOLLARS PER EMPLOYEE UP TO THE NUMBER OF EMPLOYEES CLAIMED IN THE PREVIOUS TAX YEAR, PROVIDED THE TAXPAYER HAS MAINTAINED THE INCREASED EMPLOYMENT AND WAGE LEVELS. IF THE TAXPAYER AGAIN INCREASES EMPLOYMENT, HIRING ADDITIONAL EMPLOYEES AND PAYING ADDITIONAL WAGES OVER AND ABOVE THE PREVIOUS TAX YEAR'S AMOUNTS, THE TAXPAYER SHALL BE ALLOWED AN ADDITIONAL CREDIT OF FIFTY DOLLARS FOR EACH ADDITIONAL EMPLOYEE HIRED DURING THE SECOND YEAR. THE ENERGY TAX CREDIT SHALL NOT EXCEED THE AMOUNT OF ELIGIBLE ENERGY COSTS ACTUALLY PAID BY THE TAXPAYER.

S 5. Section 210 of the tax law is amended by adding three new subdivisions 46, 47 and 48 to read as follows:

46. MEI PROPERTY TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-ONE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) CARRYOVERS. 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, IF THE AMOUNT OF THIS CREDIT ALLOWABLE UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES TAX TO SUCH AMOUNT, ANY AMOUNT OF THE 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.

47. MEI WAGE TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) CARRYOVERS. 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, IF THE AMOUNT OF THIS CREDIT ALLOWABLE UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES TAX TO SUCH AMOUNT, ANY AMOUNT OF THE 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.

48. MEI ENERGY TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-THREE OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) CARRYOVERS. 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, IF THE AMOUNT OF THIS CRED-

IT ALLOWABLE UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES TAX TO SUCH AMOUNT, ANY AMOUNT OF THE 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 6. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, is amended by adding three new clauses (xxxv), (xxxvi) and (xxxvii) to read as follows:

(XXXV) MEI PROPERTY TAX CREDIT UNDER SUBSECTION (VV)	AMOUNT OF MEI PROPERTY TAX CREDIT UNDER SUBDIVISION FORTY-SIX OF SECTION TWO HUNDRED TEN
(XXXVI) MEI WAGE TAX CREDIT UNDER SUBSECTION (WW)	AMOUNT OF MEI WAGE TAX CREDIT UNDER SUBDIVISION FORTY-SEVEN OF SECTION TWO HUNDRED TEN
(XXXVII) MEI ENERGY TAX CREDIT UNDER SUBSECTION (XX)	AMOUNT OF MEI ENERGY TAX CREDIT UNDER SUBDIVISION FORTY-EIGHT OF SECTION TWO HUNDRED TEN

S 7. Section 606 of the tax law is amended by adding three new subsections (vv), (ww) and (xx) to read as follows:

(VV) MEI PROPERTY TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-ONE 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 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.

(WW) MEI WAGE TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-TWO 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 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.

(XX) MEI ENERGY TAX CREDIT. (1) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION EIGHT HUNDRED FIFTY-THREE 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 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 8. Subparagraph (vi) of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 1 of part C of chapter 56 of the laws of 2011, is amended to read as follows:

(vi) for taxable years beginning on or after January thirty-first, two thousand seven, the amount prescribed by this paragraph for a taxpayer which is a qualified New York manufacturer, shall be computed at the rate of six and one-half (6.5) percent of the taxpayer's entire net

income base. For taxable years beginning on or after January first, two thousand twelve [and before January first, two thousand fifteen], the amount prescribed by this paragraph for a taxpayer which is [an eligible] A qualified New York manufacturer shall be computed at the rate of three and one-quarter (3.25) percent of the taxpayer's entire net income base. The term "manufacturer" shall mean a taxpayer which during the taxable year is principally engaged in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing. However, the generation and distribution of electricity, the distribution of natural gas, and the production of steam associated with the generation of electricity shall not be qualifying activities for a manufacturer under this subparagraph. Moreover, the combined group shall be considered a "manufacturer" for purposes of this subparagraph only if the combined group during the taxable year is principally engaged in the activities set forth in this paragraph, or any combination thereof. A taxpayer or a combined group shall be "principally engaged" in activities described above if, during the taxable year, more than fifty percent of the gross receipts of the taxpayer or combined group, respectively, are derived from receipts from the sale of goods produced by such activities. In computing a combined group's gross receipts, intercorporate receipts shall be eliminated. A "qualified New York manufacturer" is a manufacturer which has property in New York which is described in clause (A) of subparagraph (i) of paragraph (b) of subdivision twelve of this section and either (I) the adjusted basis of such property for federal income tax purposes at the close of the taxable year is at least one million dollars or (II) all of its real and personal property is located in New York. In addition, a "qualified New York manufacturer" means a taxpayer which is defined as a qualified emerging technology company under paragraph (c) of subdivision one of section thirty-one hundred two-e of the public authorities law regardless of the ten million dollar limitation expressed in subparagraph one of such paragraph (c). [The commissioner shall establish guidelines and criteria that specify requirements by which a manufacturer may be classified as an eligible qualified New York manufacturer. Criteria may include but not be limited to factors such as regional unemployment, the economic impact that manufacturing has on the surrounding community, population decline within the region and median income within the region in which the manufacturer is located. In establishing these guidelines and criteria, the commissioner shall endeavor that the total annual cost of the lower rates shall not exceed twenty-five million dollars.]

S 9. Subparagraph 1 of paragraph (b) of subdivision 1 of section 210 of the tax law, as amended by section 1 of part GG-1 of chapter 57 of the laws of 2008, is amended to read as follows:

(1) The amount prescribed by this paragraph for taxable years beginning before January first, two thousand eight shall be computed at .178 percent for each dollar of the taxpayer's total business and investment capital, or the portion thereof allocated within the state as hereinafter provided. For taxable years beginning on or after January first, two thousand eight, the amount prescribed by this paragraph shall be computed at .15 percent for each dollar of the taxpayer's total business and investment capital, or the portion thereof allocated within the state as hereinafter provided. However, in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be .04 percent. FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND FOURTEEN, THE AMOUNT PRESCRIBED BY

THIS PARAGRAPH FOR A TAXPAYER WHICH IS A QUALIFIED NEW YORK MANUFACTURER SHALL BE COMPUTED AT THE RATE OF .075 PERCENT OF THE TAXPAYER'S TOTAL BUSINESS AND INVESTMENT CAPITAL, OR THE PORTION THEREOF ALLOCATED WITHIN THE STATE AS HEREINAFTER PROVIDED. In no event shall the amount prescribed by this paragraph exceed three hundred fifty thousand dollars for qualified New York manufacturers and for all other taxpayers ten million dollars for taxable years beginning on or after January first, two thousand eight but before January first, two thousand eleven and one million dollars for taxable years beginning on or after January first, two thousand eleven.

S 10. Clause (B) of subparagraph (ii) of paragraph (c) of subdivision 1 of section 210 of the tax law, as amended by section 2 of part C of chapter 56 of the laws of 2011, is amended to read as follows:

(B) For taxable years beginning on or after January first, two thousand twelve [and before January first, two thousand fifteen], the amount prescribed by this paragraph for [an eligible] A qualified New York manufacturer shall be computed at the rate of seventy-five hundredths (.75) percent of the taxpayer's minimum taxable income base. For purposes of this clause, the term "[eligible] qualified New York manufacturer" shall have the same meaning as in subparagraph (vi) of paragraph (a) of this subdivision.

S 11. Subparagraph 5 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, is amended to read as follows:

(5) 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 of this paragraph as the fixed dollar minimum tax for [an eligible] A 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 12. This act shall take effect on the one hundred eightieth day after it shall have become a law and shall apply to taxable years beginning on or after January 1, 2014 and before January 1, 2021; provided, however, that the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized and directed to be made on or before such date.