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

S. 6409 A. 9009

S E N A T E - A S S E M B L Y

January 14, 2016

IN SENATE -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read twice and ordered printed, and when printed to be committed to the Committee on Finance

IN ASSEMBLY -- A BUDGET BILL, submitted by the Governor pursuant to article seven of the Constitution -- read once and referred to the Committee on Ways and Means

AN ACT to amend the real property tax law and the tax law, in relation to transitioning the school tax relief (STAR) exemption into a personal income tax credit, and to repeal subdivision 5 of section 520 of the real property tax law relating thereto (Part A); to amend the real property tax law, in relation to the maximum amount of tax savings allowable under the STAR program (Part B); to amend the real property tax law in relation to making the income verification program mandatory (Part C); to amend the real property tax law, in relation to allowing applications for exemptions to be filed after the taxable status date in certain cases (Part D); to amend the tax law and the administrative code of the city of New York, in relation to establishing a new school tax reduction credit for residents of a city with a population over one million (Part E); to amend the real property tax law, in relation to authorizing the commissioner of taxation and finance to make direct payments of STAR tax savings to property owners in certain cases (Part F); to amend the tax law, in relation to making permanent, provisions relating to mandatory electronic filing of tax documents, improving sales tax compliance and updating tax preparer penalties; to amend chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, in relation to the effectiveness thereof; and to repeal certain provisions of the tax law and the administrative code of the city of New York relating thereto (Part G); to amend the public housing law, in relation to extending the credit against income tax for persons or entities investing in low-income housing (Part H); to amend the tax law, in relation to extending the hire a veteran credit for an additional two years (Part I); to amend the tax law, in relation to extending the empire state commercial production tax credit (Part J); to amend chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who

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

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provide transportation to people with disabilities, in relation to extending the expiration of such provision (Part K); to amend part I of chapter 58 of the laws of 2006, amending the tax law relating to providing an enhanced earned income tax credit, in relation to making the enhanced earned income tax credit permanent (Part L); to amend part N of chapter 61 of the laws of 2005 amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, in relation to permanently extending the disclosure and penalty provisions for transactions that present the potential for tax avoidance (Part M); to amend the tax law, in relation to extending the clean heating fuel credit for three years and updating the credit to reflect new minimum biodiesel fuel thresholds (Part N); to amend the economic development law and the tax law, in relation to extending the excelsior jobs program for five years (Part O); to amend the tax law and the administrative code of the City of New York in relation to making corrections to the corporate tax reform provisions (Part P); to amend the tax law and the administrative code of the city of New York, in relation to the time for filing reports (Part Q); to amend the tax law, in relation to the business income base rate and expanding the small business subtraction modification (Part R); to amend the education law and the tax law, in relation to enacting the "parental choice in education act" (Part S); to amend the tax law, in relation to establishing a tax credit for New York state thruway tolls (Part T); to amend chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, in relation to extending the alternative fuels tax exemptions for five years (Part U); to amend the tax law, in relation to exempting from alcoholic beverage tax certain alcoholic beverages furnished at no charge by certain licensees to customers or prospective customers at a tasting held in accordance with the alcoholic beverage control law, and to expand the beer production credit to include wine, liquor and cider (Part V); to amend the tax law, in relation to authorizing jeopardy assessments on cigarette and tobacco product taxes assessed under article 20 thereof (Part W); to amend the tax law and the administrative code of the city of New York, in relation to allowing room remarketers to purchase occupancies from hotel operators exempt from sales tax under certain circumstances (Part X); to amend the tax law, in relation to charitable contributions and charitable activities being considered in determining domicile for estate tax purposes (Part Y); to amend the state finance law, in relation to creating the aviation purpose account and ensuring that the funds deposited in the aviation purpose account are used for airport improvement projects; to amend the tax law, in relation to provide for the distribution of revenues under section 301-e of such law; to exempt sales of fuel sold for use in commercial aircraft and general aviation aircraft from the prepayment of sales tax imposed pursuant to the authority of section 1102(a) (1) (ii) of such law; and to exclude sales of fuel sold for use in commercial aircraft and general aviation aircraft from the operation of sales and use taxes imposed pursuant to the authority of section 1210(a) of such law (Part Z); to amend the racing, pari-mutuel wagering and breeding law, in relation to equine lab testing provider restrictions removal (Part AA); to amend the racing, pari-mutuel wagering and breeding law and the tax law, in relation to reducing purse amounts paid from the VLT program and to increasing racing regulatory fee (Part BB); to amend

the racing, pari-mutuel wagering and breeding law, in relation to the timing of harness track reimbursements and other technical amendments (Part CC); to amend the tax law, in relation to the payment of vendors' fees (Part DD); to amend the tax law, in relation to vendor fees at vendor tracks (Part EE); to amend the racing, pari-mutuel wagering and breeding law, in relation to licenses for simulcast facilities, sums relating to track simulcast, simulcast of out-of-state thoroughbred races, simulcasting of races run by out-of-state harness tracks and distributions of wagers; to amend chapter 281 of the laws of 1994 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting; to amend chapter 346 of the laws of 1990 amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, in relation to extending certain provision thereof; and to amend the racing, pari-mutuel and breeding law, in relation to extending certain provisions thereof (Part FF); to amend the tax law, in relation to capital awards to vendor tracks (Part GG); and to amend the state finance law, in relation to allocations from the commercial gaming revenue fund; and to amend the tax law, in relation to commissions payable to certain vendor racetracks (Part HH)

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

Section 1. This act enacts into law major components of legislation which are necessary to implement the state fiscal plan for the 2016-2017 state fiscal year. Each component is wholly contained within a Part identified as Parts A through HH. The effective date for each particular provision contained within such Part is set forth in the last section of such Part. Any provision in any section contained within a Part, including the effective date of the Part, which makes a reference to a section "of this act", when used in connection with that particular component, shall be deemed to mean and refer to the corresponding section of the Part in which it is found. Section three of this act sets forth the general effective date of this act.

PART A

Section 1. Paragraph (a) of subdivision 6 of section 425 of the real property tax law, as amended by chapter 6 of the laws of 2010, and as further amended by subdivision (b) of section 1 of part W of chapter 56 of the laws of 2010, is amended to read as follows:

(a) Generally. All owners of the property who primarily reside thereon AND WHO ARE NOT SUBJECT TO THE PROVISIONS OF SUBDIVISION SIXTEEN OF THIS SECTION must jointly file an application for exemption with the assessor on or before the appropriate taxable status date. Such application may be filed by mail if it is enclosed in a postpaid envelope properly addressed to the appropriate assessor, deposited in a post office or official depository under the exclusive care of the United States postal service, and postmarked by the United States postal service on or before the applicable taxable status date. Each such application shall be made on a form prescribed by the commissioner, which shall require the applicant or applicants to agree to notify the assessor if their primary residence changes while their property is receiving the exemption. The assessor may request that proof of residency be submitted with the

application. If the applicant requests a receipt from the assessor as proof of submission of the application, the assessor shall provide such receipt. If such request is made by other than personal request, the applicant shall provide the assessor with a self-addressed postpaid envelope in which to mail the receipt.

S 2. Section 425 of the real property tax law is amended by adding a new subdivision 16 to read as follows:

16. TRANSITION TO PERSONAL INCOME TAX CREDIT. (A) BEGINNING WITH ASSESSMENT ROLLS USED TO LEVY SCHOOL DISTRICT TAXES FOR THE TWO THOUSAND SIXTEEN--TWO THOUSAND SEVENTEEN SCHOOL YEAR, NO APPLICATION FOR AN EXEMPTION UNDER THIS SECTION MAY BE FILED OR APPROVED UNLESS AT LEAST ONE OF THE APPLICANTS HELD TITLE TO THE PROPERTY ON THE TAXABLE STATUS DATE OF THE ASSESSMENT ROLL THAT WAS USED TO LEVY SCHOOL DISTRICT TAXES FOR THE TWO THOUSAND FIFTEEN--TWO THOUSAND SIXTEEN SCHOOL YEAR AND THE PROPERTY WAS GRANTED AN EXEMPTION PURSUANT TO THIS SECTION ON THAT ASSESSMENT ROLL. IN THE EVENT THAT AN APPLICATION IS SUBMITTED TO THE ASSESSOR THAT CANNOT BE APPROVED DUE TO THIS RESTRICTION, THE ASSESSOR SHALL NOTIFY THE APPLICANT THAT HE OR SHE IS REQUIRED BY LAW TO DENY THE APPLICATION, BUT THAT, IN LIEU OF A STAR EXEMPTION, THE APPLICANT MAY CLAIM THE PERSONAL INCOME TAX CREDIT AUTHORIZED BY SUBSECTION (EEE) OF SECTION SIX HUNDRED SIX OF THE TAX LAW IF ELIGIBLE, AND THAT THE APPLICANT MAY CONTACT THE DEPARTMENT OF TAXATION AND FINANCE FOR FURTHER INFORMATION. THE COMMISSIONER SHALL PROVIDE A FORM FOR ASSESSORS TO USE, AT THEIR OPTION, WHEN MAKING THIS NOTIFICATION. NO STAR EXEMPTION MAY BE GRANTED ON THE BASIS OF AN APPLICATION THAT IS NOT APPROVABLE DUE TO THIS RESTRICTION.

(B) IF THE OWNERS OF A PARCEL THAT IS RECEIVING THE STAR EXEMPTION AUTHORIZED BY THIS SECTION WANT TO CLAIM THE PERSONAL INCOME TAX CREDIT AUTHORIZED BY SUBSECTION (EEE) OF SECTION SIX HUNDRED SIX OF THE TAX LAW IN LIEU OF SUCH EXEMPTION, THEY ALL MUST RENOUNCE THAT EXEMPTION IN THE MANNER PROVIDED BY SECTION FOUR HUNDRED NINETY-SIX OF THIS CHAPTER, AND MUST PAY ANY REQUIRED TAXES, INTEREST AND PENALTIES, ON OR BEFORE DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR FOR WHICH THEY WANT TO CLAIM THE CREDIT. ANY SUCH RENUNCIATION SHALL BE IRREVOCABLE.

(C) THE PROVISIONS OF THIS SUBDIVISION SHALL APPLY TO ALL APPLICATIONS FOR STAR EXEMPTIONS BEGINNING WITH ASSESSMENT ROLLS USED TO LEVY SCHOOL DISTRICT TAXES FOR THE TWO THOUSAND SIXTEEN--TWO THOUSAND SEVENTEEN SCHOOL YEAR, INCLUDING THOSE SUBMITTED PRIOR TO THE EFFECTIVE DATE OF THIS SUBDIVISION. IF ANY APPLICATION WAS APPROVED PRIOR TO THE EFFECTIVE DATE OF THIS SUBDIVISION THAT IS NOT APPROVABLE HEREUNDER, SUCH APPROVAL SHALL BE DEEMED VOID, AND THE ASSESSOR SHALL PROVIDE THE APPLICANT WITH THE NOTICE REQUIRED BY PARAGRAPH (A) OF THIS SUBDIVISION.

S 3. Subdivision 2 of section 496 of the real property tax law, as added by section 3 of part N of chapter 58 of the laws of 2011, is amended to read as follows:

2. An application to renounce an exemption shall be made on a form prescribed by the commissioner and shall be filed with the county director of real property tax services no later than ten years after the levy of taxes upon the assessment roll on which the renounced exemption appears. The county director, after consulting with the assessor as appropriate, shall compute the total amount owed on account of the renounced exemption as follows:

(a) For each assessment roll on which the renounced exemption appears, the assessed value that was exempted shall be multiplied by the tax rate or rates that were applied to that assessment roll. Interest shall then be added to each such product at the rate prescribed by section nine

hundred twenty-four-a of this chapter or such other law as may be applicable for each month or portion thereon since the levy of taxes upon such assessment roll.

(b) The sum of the calculations made pursuant to paragraph (a) of this subdivision with respect to all of the assessment rolls in question shall be determined.

(c) A processing fee of five hundred dollars shall be added to the sum determined pursuant to paragraph (b) of this subdivision, UNLESS THE PROVISIONS OF PARAGRAPH (D) OF THIS SUBDIVISION ARE APPLICABLE.

(D) IF THE APPLICANT IS RENOUNCING A STAR EXEMPTION IN ORDER TO QUALIFY FOR THE PERSONAL INCOME TAX CREDIT AUTHORIZED BY SUBSECTION (EEE) OF SECTION SIX HUNDRED SIX OF THE TAX LAW, AND NO OTHER EXEMPTIONS ARE BEING RENOUNCED ON THE SAME APPLICATION, NO PROCESSING FEE SHALL BE APPLICABLE.

S 4. Subdivision 3 of section 520 of the real property tax law, as added by chapter 635 of the laws of 1978, is amended to read as follows:

3. For purposes of any fiscal year or years during which title to such property is transferred, such property shall be deemed to have been omitted and the assessed value thereof shall be entered on the assessment roll to be used for the next tax levy by or for each municipal corporation in which such property is located in the same manner as provided by title three of article five of this chapter with respect to a parcel omitted from the assessment roll of the previous year. A pro rata tax shall be extended against the property for the unexpired portion of each fiscal year. Such real property shall be taxed at the tax rate or tax rates for the fiscal year during which the transfer occurred. The amount of tax or taxes levied pursuant to this subdivision shall be deducted from the aggregate amount of taxes to be levied for the fiscal year immediately succeeding the fiscal year during which the transfer occurred; PROVIDED, HOWEVER, THAT WHERE THE PROPERTY IS RECEIVING A SCHOOL TAX RELIEF (STAR) EXEMPTION AUTHORIZED BY SECTION FOUR HUNDRED TWENTY-FIVE OF THIS CHAPTER, THE PORTION OF THE TAX OR TAXES LEVIED THAT EQUALS THE RECOVERED STAR TAX SAVINGS SHALL BE APPLIED TO REDUCE THE AMOUNT OF AID PAYABLE TO THE SCHOOL DISTRICT UNDER SUBDIVISION THREE OF SECTION THIRTEEN HUNDRED SIX-A OF THIS CHAPTER.

S 5. Subdivision 5 of section 520 of the real property tax law is REPEALED.

S 6. Section 606 of the tax law is amended by adding a new subsection (eee) to read as follows:

(EEE) SCHOOL TAX RELIEF (STAR) CREDIT. (1) DEFINITIONS. FOR PURPOSES OF THIS SUBSECTION:

(A) "QUALIFIED TAXPAYER" MEANS A RESIDENT INDIVIDUAL OF THE STATE, WHO MAINTAINED HIS OR HER PRIMARY RESIDENCE IN THIS STATE ON DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR, WHO WAS AN OWNER OF THAT PROPERTY ON THAT DATE, WHO CANNOT RECEIVE THE STAR EXEMPTION ON THAT PROPERTY EITHER BECAUSE (I) HE OR SHE IS PRECLUDED FROM FILING AN APPLICATION FOR THE STAR EXEMPTION ON THAT PROPERTY PURSUANT TO PARAGRAPH (A) OF SUBDIVISION SIXTEEN OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW, OR BECAUSE (II) HE OR SHE HAS IRREVOCABLY RENOUNCED HIS OR HER CLAIM TO SUCH EXEMPTION IN CONJUNCTION WITH ALL OTHER OWNERS PURSUANT TO PARAGRAPH (B) OF SUCH SUBDIVISION, AND WHO IS REQUIRED OR CHOOSES TO FILE A RETURN UNDER THIS ARTICLE.

(B) "AFFILIATED INCOME" SHALL MEAN THE COMBINED INCOME OF ALL OF THE OWNERS OF THE PARCEL WHO RESIDED PRIMARILY THEREON AS OF DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR, AND OF ANY OWNERS' SPOUSES RESIDING PRIMARILY THEREON AS OF SUCH DATE; PROVIDED THAT THE INCOME TO BE SO COMBINED

SHALL BE THE "ADJUSTED GROSS INCOME" FOR THE TAXABLE YEAR AS REPORTED FOR FEDERAL INCOME TAX PURPOSES, OR THAT WOULD BE REPORTED AS ADJUSTED GROSS INCOME IF A FEDERAL INCOME TAX RETURN WERE REQUIRED TO BE FILED, REDUCED BY DISTRIBUTIONS, TO THE EXTENT INCLUDED IN FEDERAL ADJUSTED GROSS INCOME, RECEIVED FROM AN INDIVIDUAL RETIREMENT ACCOUNT AND AN INDIVIDUAL RETIREMENT ANNUITY.

(C) "ASSOCIATED FISCAL YEAR" MEANS THE SCHOOL DISTRICT FISCAL YEAR THAT BEGAN ON JULY FIRST OF THE TAXABLE YEAR OR, IN THE CASE OF A CITY SCHOOL DISTRICT THAT IS SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, THE CITY FISCAL YEAR THAT BEGAN ON JULY FIRST OF THE TAXABLE YEAR.

(D) "OWNER" MEANS:

(I) A PERSON WHO OWNS A PARCEL IN FEE SIMPLE ABSOLUTE OR AS A TENANT IN COMMON, A JOINT TENANT OR A TENANT BY THE ENTIRETY,

(II) AN OWNER OF A PRESENT INTEREST IN A PARCEL UNDER A LIFE ESTATE,

(III) A VENDEE IN POSSESSION UNDER AN INSTALLMENT CONTRACT OF SALE,

(IV) A BENEFICIAL OWNER UNDER A TRUST,

(V) A TENANT-STOCKHOLDER OF A COOPERATIVE APARTMENT CORPORATION WHO RESIDES IN A PORTION OF REAL PROPERTY OWNED BY SUCH COOPERATIVE APARTMENT CORPORATION, TO THE EXTENT REPRESENTED BY HIS OR HER SHARE OR SHARES OF STOCK IN SUCH CORPORATION AS DETERMINED BY ITS OR THEIR PROPORTIONAL RELATIONSHIP TO THE TOTAL OUTSTANDING STOCK OF THE CORPORATION, INCLUDING THAT OWNED BY THE CORPORATION,

(VI) A RESIDENT OF A FARM DWELLING THAT IS OWNED EITHER BY A CORPORATION OF WHICH THE RESIDENT IS A SHAREHOLDER, A PARTNERSHIP OF WHICH THE RESIDENT IS A PARTNER, OR BY A LIMITED LIABILITY COMPANY OF WHICH THE RESIDENT IS AN OWNER, OR

(VII) A RESIDENT OF A DWELLING, OTHER THAN A FARM DWELLING, THAT IS OWNED BY A LIMITED PARTNERSHIP OF WHICH THE RESIDENT IS A PARTNER, PROVIDED THAT THE LIMITED PARTNERSHIP THAT HOLDS TITLE TO THE PROPERTY DOES NOT ENGAGE IN ANY COMMERCIAL ACTIVITY, THAT THE LIMITED PARTNERSHIP WAS LAWFULLY CREATED TO HOLD TITLE SOLELY FOR ESTATE PLANNING AND ASSET PROTECTION PURPOSES, AND THAT THE PARTNER OR PARTNERS WHO PRIMARILY RESIDE THEREON PERSONALLY PAY ALL OF THE REAL PROPERTY TAXES AND OTHER COSTS ASSOCIATED WITH THE PROPERTY'S OWNERSHIP.

(E) "QUALIFYING TAXES" MEANS THE SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR THAT WERE ACTUALLY PAID BY THE TAXPAYER DURING THE TAXABLE YEAR; OR, IN THE CASE OF A CITY SCHOOL DISTRICT THAT IS SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, THE COMBINED CITY AND SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR THAT WERE ACTUALLY PAID BY THE TAXPAYER DURING THE TAXABLE YEAR. IN NO CASE SHALL THE TERM "QUALIFYING TAXES" BE CONSTRUED TO INCLUDE PENALTIES OR INTEREST.

(F) "STAR EXEMPTION" MEANS THE SCHOOL TAX RELIEF (STAR) EXEMPTION AUTHORIZED BY SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW.

(G) "STAR TAX SAVINGS" MEANS THE TAX SAVING ATTRIBUTABLE TO THE STAR EXEMPTION WITHIN A PORTION OF A SCHOOL DISTRICT, AS DETERMINED BY THE COMMISSIONER PURSUANT TO SUBDIVISION TWO OF SECTION THIRTEEN HUNDRED SIX-A OF THE REAL PROPERTY TAX LAW.

(H) "STAR TAX SAVINGS FIGURE" MEANS THE AVERAGE OF THE STAR TAX SAVINGS IN THE VARIOUS PORTIONS OF A SCHOOL DISTRICT IN THE ASSOCIATED FISCAL YEAR, AS DETERMINED BY THE COMMISSIONER. TWO STAR TAX SAVINGS FIGURES SHALL BE DETERMINED FOR EACH SCHOOL DISTRICT, ONE RELATING TO THE BASIC STAR EXEMPTION, AND THE OTHER RELATING TO THE ENHANCED STAR EXEMPTION.

(2) ALLOWANCE OF CREDIT. A QUALIFIED TAXPAYER SHALL BE ALLOWED A CREDIT AS PROVIDED IN PARAGRAPH THREE OR FOUR OF THIS SUBSECTION, WHICHEVER IS APPLICABLE, AGAINST THE TAXES IMPOSED BY THIS ARTICLE REDUCED BY THE CREDITS PERMITTED BY THIS ARTICLE, PROVIDED THAT THE REQUIREMENTS SET FORTH IN THE APPLICABLE SUBSECTION ARE SATISFIED. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED FOR SUCH YEAR UNDER THIS ARTICLE, THE EXCESS SHALL BE TREATED AS AN OVERPAYMENT, TO BE CREDITED OR REFUNDED, WITHOUT INTEREST. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A QUALIFIED TAXPAYER MAY NEVERTHELESS RECEIVE THE FULL AMOUNT OF THE CREDIT TO BE CREDITED OR REPAID AS AN OVERPAYMENT, WITHOUT INTEREST.

(3) DETERMINATION OF BASIC STAR CREDIT. (A) BEGINNING WITH TAXABLE YEARS AFTER TWO THOUSAND FIFTEEN, A BASIC STAR CREDIT SHALL BE AVAILABLE TO A QUALIFIED TAXPAYER IF THE AFFILIATED INCOME OF THE PARCEL THAT SERVES AS THE TAXPAYER'S PRIMARY RESIDENCE IS LESS THAN OR EQUAL TO FIVE HUNDRED THOUSAND DOLLARS.

(B) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (C) OF THIS PARAGRAPH, SUCH BASIC STAR CREDIT SHALL BE THE LESSER OF:

(I) THE BASIC STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, OR

(II) THE TAXPAYER'S QUALIFYING TAXES.

(C) IF THE QUALIFYING TAXES PAID BY THE TAXPAYER CONSTITUTED ONLY A PORTION OF THE TOTAL SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR OR, IN THE CASE OF A CITY SCHOOL DISTRICT THAT IS SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, IF THE QUALIFYING TAXES PAID BY THE TAXPAYER CONSTITUTED ONLY A PORTION OF THE TOTAL COMBINED CITY AND SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR, THE CREDIT ALLOWABLE TO SUCH TAXPAYER SHALL BE EQUAL TO THE AMOUNT DETERMINED PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH MULTIPLIED BY THE PERCENTAGE THAT SUCH PORTION REPRESENTS.

(4) DETERMINATION OF ENHANCED STAR CREDIT. (A) BEGINNING WITH TAXABLE YEARS AFTER TWO THOUSAND FIFTEEN, AN ENHANCED STAR CREDIT SHALL BE AVAILABLE TO A QUALIFIED TAXPAYER WHERE BOTH OF THE FOLLOWING CONDITIONS ARE SATISFIED:

(I) ALL OF THE OWNERS OF THE PARCEL THAT SERVES AS THE TAXPAYER'S PRIMARY RESIDENCE ARE AT LEAST SIXTY-FIVE YEARS OF AGE AS OF DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR OR, IN THE CASE OF PROPERTY OWNED BY A MARRIED COUPLE OR BY SIBLINGS, AT LEAST ONE OF THE OWNERS IS AT LEAST SIXTY-FIVE YEARS OF AGE AS OF THAT DATE. THE TERMS "SIBLINGS" AS USED HEREIN SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION FOUR HUNDRED SIXTY-SEVEN OF THE REAL PROPERTY TAX LAW. IN THE CASE OF PROPERTY OWNED BY A MARRIED COUPLE, ONE OF WHOM IS SIXTY-FIVE YEARS OF AGE OR OVER, THE CREDIT, ONCE ALLOWED, SHALL NOT BE DISALLOWED BECAUSE OF THE DEATH OF THE OLDER SPOUSE SO LONG AS THE SURVIVING SPOUSE IS AT LEAST SIXTY-TWO YEARS OF AGE AS OF DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR.

(II) THE AFFILIATED INCOME OF THE PARCEL THAT SERVES AS THE TAXPAYER'S PRIMARY RESIDENCE IS LESS THAN OR EQUAL TO THE INCOME STANDARD FOR THE TAXABLE YEAR ESTABLISHED BY THE COMMISSIONER FOR THE CORRESPONDING "INCOME TAX YEAR" PURSUANT TO CLAUSE (C) OF SUBPARAGRAPH (I) OF PARAGRAPH (B) OF SUBDIVISION FOUR OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW FOR PURPOSES OF THE ENHANCED STAR EXEMPTION.

(B) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPH (C) OF THIS PARAGRAPH, SUCH CREDIT SHALL BE THE LESSER OF:

(I) THE ENHANCED STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, OR

(II) THE TAXPAYER'S QUALIFYING TAXES.

(C) IF THE QUALIFYING TAXES PAID BY THE TAXPAYER CONSTITUTED ONLY A PORTION OF THE TOTAL SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR OR, IN THE CASE OF A CITY SCHOOL DISTRICT THAT IS SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, IF THE QUALIFYING TAXES PAID BY THE TAXPAYER CONSTITUTED ONLY A PORTION OF THE TOTAL COMBINED CITY AND SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR, THE CREDIT ALLOWABLE TO SUCH TAXPAYER SHALL BE EQUAL TO THE AMOUNT DETERMINED PURSUANT TO SUBPARAGRAPH (B) OF THIS PARAGRAPH MULTIPLIED BY THE PERCENTAGE THAT SUCH PORTION REPRESENTS.

(5) DISQUALIFICATION. A TAXPAYER SHALL NOT QUALIFY FOR THE CREDIT AUTHORIZED BY THIS SUBSECTION IF THE PARCEL THAT SERVES AS THE TAXPAYER'S PRIMARY RESIDENCE RECEIVED THE STAR EXEMPTION ON THE ASSESSMENT ROLL UPON WHICH SCHOOL DISTRICT TAXES FOR THE ASSOCIATED FISCAL YEAR WHERE LEVIED. PROVIDED, HOWEVER, THAT THE TAXPAYER MAY REMOVE THIS DISQUALIFICATION BY RENOUNCING THE EXEMPTION AND MAKING ANY REQUIRED PAYMENTS BY DECEMBER THIRTY-FIRST OF THE TAXABLE YEAR, AS PROVIDED BY SUBDIVISION SIXTEEN OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW.

(6) SPECIAL CASES. (A) IN THE CASE OF PROPERTY CONSISTING OF A COOPERATIVE APARTMENT CORPORATION THAT IS DESCRIBED BY PARAGRAPH (K) OF SUBDIVISION TWO OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW, THE AMOUNT OF THE CREDIT ALLOWABLE WITH RESPECT TO A COOPERATIVE APARTMENT SHALL BE EQUAL TO SIXTY PERCENT OF THE BASIC STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, OR SIXTY PERCENT OF THE ENHANCED STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, WHICHEVER IS APPLICABLE. PROVIDED, HOWEVER, THAT IN THE CASE OF A COOPERATIVE APARTMENT CORPORATION THAT IS DESCRIBED BY SUBPARAGRAPH (IV) OF PARAGRAPH (K) OF SUBDIVISION TWO OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW, THE CREDIT ALLOWABLE WITH RESPECT TO A COOPERATIVE APARTMENT SHALL BE EQUAL TO TWENTY PERCENT OF SUCH FIGURE.

(B) IN THE CASE OF PROPERTY CONSISTING OF A MOBILE HOME THAT IS DESCRIBED IN PARAGRAPH (1) OF SUBDIVISION TWO OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW, THE AMOUNT OF THE CREDIT ALLOWABLE WITH RESPECT TO SUCH MOBILE HOME SHALL BE EQUAL TO TWENTY-FIVE PERCENT OF THE BASIC STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, OR TWENTY-FIVE PERCENT OF THE ENHANCED STAR TAX SAVINGS FIGURE FOR THE SCHOOL DISTRICT, WHICHEVER IS APPLICABLE.

(C) IN THE CASE OF A PRIMARY RESIDENCE THAT IS LOCATED IN TWO OR MORE SCHOOL DISTRICTS, THE APPLICABLE BASIC OR ENHANCED STAR TAX SAVINGS FIGURE SHALL BE DETERMINED AS FOLLOWS:

(I) DETERMINE THE SUM OF THE TOTAL SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE FOR THE ASSOCIATED FISCAL YEAR BY EACH OF THE SCHOOL DISTRICTS IN WHICH THE RESIDENCE IS LOCATED;

(II) FOR EACH SUCH SCHOOL DISTRICT, DIVIDE THE TOTAL SCHOOL DISTRICT TAXES THAT WERE LEVIED UPON THE TAXPAYER'S PRIMARY RESIDENCE BY THAT SCHOOL DISTRICT FOR THE ASSOCIATED FISCAL YEAR BY THE SUM DETERMINED IN CLAUSE (I) OF THIS SUBPARAGRAPH. EXPRESS THE RESULT AS A PERCENTAGE WITH TWO DECIMAL PLACES;

(III) FOR EACH SUCH SCHOOL DISTRICT, MULTIPLY THE PERCENTAGE DETERMINED IN CLAUSE (II) OF THIS SUBPARAGRAPH BY THE BASIC OR ENHANCED STAR TAX SAVINGS FIGURE, WHICHEVER IS APPLICABLE; AND

(IV) ADD THE PRODUCTS DETERMINED IN CLAUSE (III) OF THIS SUBPARAGRAPH.

(7) DISCLOSURE OF INCOMES. WHERE THE COMMISSIONER HAS DENIED A TAXPAYER'S CLAIM FOR THE CREDIT AUTHORIZED BY THIS SUBSECTION IN WHOLE OR IN PART ON THE GROUNDS THAT THE AFFILIATED INCOME OF THE PARCEL IN QUESTION

EXCEEDS THE APPLICABLE LIMIT, THE COMMISSIONER SHALL HAVE THE AUTHORITY TO REVEAL TO THAT TAXPAYER THE NAMES AND INCOMES OF THE OTHER TAXPAYERS WHOSE INCOMES WERE INCLUDED IN THE COMPUTATION OF SUCH AFFILIATED INCOME.

(8) PROOF OF CLAIM. THE COMMISSIONER MAY REQUIRE A QUALIFIED TAXPAYER TO FURNISH THE FOLLOWING INFORMATION IN SUPPORT OF HIS OR HER CLAIM FOR CREDIT UNDER THIS SUBSECTION: AFFILIATED INCOME, THE TOTAL SCHOOL DISTRICT TAXES LEVIED ON THE PROPERTY FOR THE ASSOCIATED FISCAL YEAR OR, IN THE CASE OF A CITY SCHOOL DISTRICT THAT IS SUBJECT TO ARTICLE FIFTY-TWO OF THE EDUCATION LAW, THE TOTAL COMBINED CITY AND SCHOOL DISTRICT TAXES LEVIED ON THE PROPERTY FOR THE ASSOCIATED FISCAL YEAR, THE QUALIFYING TAXES PAID BY THE TAXPAYER, THE NAMES AND TAXPAYER IDENTIFICATION NUMBERS OF ALL OWNERS OF THE PROPERTY AND SPOUSES WHO PRIMARILY RESIDE ON THE PROPERTY, THE PARCEL IDENTIFICATION NUMBER AND ALL OTHER INFORMATION THAT MAY BE REQUIRED BY THE COMMISSIONER TO DETERMINE THE CREDIT.

(9) RETURNS. IF A QUALIFIED TAXPAYER IS NOT REQUIRED TO FILE A RETURN PURSUANT TO SECTION SIX HUNDRED FIFTY-ONE OF THIS ARTICLE, A CLAIM FOR A CREDIT MAY BE TAKEN ON A RETURN FILED WITH THE COMMISSIONER WITHIN THREE YEARS FROM THE TIME IT WOULD HAVE BEEN REQUIRED THAT A RETURN BE FILED PURSUANT TO SUCH SECTION HAD THE QUALIFIED TAXPAYER HAD A TAXABLE YEAR ENDING ON DECEMBER THIRTY-FIRST. RETURNS UNDER THIS PARAGRAPH SHALL BE IN SUCH FORM AS SHALL BE PRESCRIBED BY THE COMMISSIONER, WHO SHALL MAKE AVAILABLE SUCH FORMS AND INSTRUCTIONS FOR FILING SUCH RETURNS.

(10) ADMINISTRATION. THE PROVISIONS OF THIS ARTICLE, INCLUDING THE PROVISIONS OF SECTIONS SIX HUNDRED FIFTY-THREE, SIX HUNDRED FIFTY-EIGHT, AND SIX HUNDRED FIFTY-NINE OF THIS ARTICLE AND THE PROVISIONS OF PART SIX OF THIS ARTICLE RELATING TO PROCEDURE AND ADMINISTRATION, INCLUDING THE JUDICIAL REVIEW OF THE DECISIONS OF THE COMMISSIONER, EXCEPT SO MUCH OF SECTION SIX HUNDRED EIGHTY-SEVEN OF THIS ARTICLE THAT PERMITS A CLAIM FOR CREDIT OR REFUND TO BE FILED AFTER THE PERIOD PROVIDED FOR IN PARAGRAPH NINE OF THIS SUBSECTION AND EXCEPT SECTIONS SIX HUNDRED FIFTY-SEVEN, SIX HUNDRED EIGHTY-EIGHT AND SIX HUNDRED NINETY-SIX OF THIS ARTICLE, SHALL APPLY TO THE PROVISIONS OF THIS SUBSECTION IN THE SAME MANNER AND WITH THE SAME FORCE AND EFFECT AS IF THE LANGUAGE OF THOSE PROVISIONS HAD BEEN INCORPORATED IN FULL INTO THIS SUBSECTION AND HAD EXPRESSLY REFERRED TO THE CREDIT ALLOWED OR RETURNS FILED UNDER THIS SUBSECTION, EXCEPT TO THE EXTENT THAT ANY SUCH PROVISION IS EITHER INCONSISTENT WITH A PROVISION OF THIS SUBSECTION OR IS NOT RELEVANT TO THIS SUBSECTION. AS USED IN SUCH SECTIONS AND SUCH PART, THE TERM "TAXPAYER" SHALL INCLUDE A QUALIFIED TAXPAYER UNDER THIS SUBSECTION AND, NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (E) OF SECTION SIX HUNDRED NINETY-SEVEN OF THIS ARTICLE, WHERE A QUALIFIED TAXPAYER HAS PROTESTED THE DENIAL OF A CLAIM FOR CREDIT UNDER THIS SUBSECTION AND THE TIME TO FILE A PETITION FOR REDETERMINATION OF A DEFICIENCY OR FOR REFUND HAS NOT EXPIRED, HE OR SHE SHALL, SUBJECT TO SUCH CONDITIONS AS MAY BE SET BY THE COMMISSIONER, RECEIVE SUCH INFORMATION (A) THAT IS CONTAINED IN ANY RETURN FILED UNDER THIS ARTICLE BY A MEMBER OF HIS OR HER HOUSEHOLD FOR THE TAXABLE YEAR FOR WHICH THE CREDIT IS CLAIMED, AND (B) THAT THE COMMISSIONER FINDS IS RELEVANT AND MATERIAL TO THE ISSUE OF WHETHER SUCH CLAIM WAS PROPERLY DENIED.

(11) IN THE CASE OF A TAXPAYER WHO HAS ITEMIZED DEDUCTIONS FROM FEDERAL ADJUSTED GROSS INCOME, AND WHOSE FEDERAL ITEMIZED DEDUCTIONS INCLUDE AN AMOUNT FOR REAL ESTATE TAXES PAID, THE NEW YORK ITEMIZED DEDUCTION OTHERWISE ALLOWABLE UNDER SECTION SIX HUNDRED FIFTEEN OF THIS CHAPTER SHALL BE REDUCED BY THE AMOUNT OF THE CREDIT CLAIMED UNDER THIS SUBSECTION.

S 7. The opening paragraph of subparagraph (a) of paragraph 2 of subsection (n-1) of section 606 of the tax law, as added by section 1 of subpart B of part C of chapter 20 of the laws of 2015, is amended to read as follows:

To be eligible for the credit, the taxpayer (or taxpayers filing joint returns) on the personal income tax return filed for the taxable year two years prior, must have (i) been a resident, (ii) owned and primarily resided in real property receiving EITHER the STAR exemption authorized by section four hundred twenty-five of the real property tax law OR THE SCHOOL TAX RELIEF CREDIT AUTHORIZED BY SUBSECTION (EEE) OF THIS SECTION, and (iii) had qualified gross income no greater than two hundred seventy-five thousand dollars. Provided, however, that no credit shall be allowed if any of the following apply:

S 8. This act shall take effect immediately, provided, however, that sections six and seven of this act shall apply to taxable years beginning on or after January 1, 2016.

PART B

Section 1. Subparagraph (i) of paragraph (a) of subdivision 2 of section 1306-a of the real property tax law, as amended by section 6 of part N of chapter 58 of the laws of 2011, is amended to read as follows:

(i) The tax savings for each parcel receiving the exemption authorized by section four hundred twenty-five of this chapter shall be computed by subtracting the amount actually levied against the parcel from the amount that would have been levied if not for the exemption, provided however, that [beginning with] FOR the two thousand eleven-two thousand twelve THROUGH TWO THOUSAND FIFTEEN-TWO THOUSAND SIXTEEN school [year] YEARS, the tax savings applicable to any "portion" (which as used herein shall mean that part of an assessing unit located within a school district) shall not exceed the tax savings applicable to that portion in the prior school year multiplied by one hundred two percent, with the result rounded to the nearest dollar; AND PROVIDED FURTHER THAT BEGINNING WITH THE TWO THOUSAND SIXTEEN-TWO THOUSAND SEVENTEEN SCHOOL YEAR, THE TAX SAVINGS APPLICABLE TO ANY PORTION SHALL NOT EXCEED THE TAX SAVINGS FOR THE PRIOR YEAR. The tax savings attributable to the basic and enhanced exemptions shall be calculated separately. It shall be the responsibility of the commissioner to calculate tax savings limitations for purposes of this subdivision.

S 2. This act shall take effect immediately.

PART C

Section 1. Subparagraphs (iv), (v) and (vi) of paragraph (b) of subdivision 4 of section 425 of the real property tax law, subparagraph (iv) as amended by chapter 451 of the laws of 2015, subparagraph (v) as amended by section 10 of part W of chapter 56 of the laws of 2010, subparagraph (vi) as amended by section 3 of part E of chapter 83 of the laws of 2002, and clause E of subparagraph (vi) as further amended by section 1 of part W of chapter 56 of the laws of 2010, are amended to read as follows:

(iv) Effective with applications for the enhanced exemption on final assessment rolls to be completed in two thousand [three] SEVENTEEN, the application form shall indicate that the owners of the property and any owners' spouses residing on the premises [may] MUST ENROLL IN THE STAR INCOME VERIFICATION PROGRAM ADMINISTERED BY THE DEPARTMENT IN ORDER FOR

THE PROPERTY TO BE ELIGIBLE FOR AN ENHANCED EXEMPTION PURSUANT TO THIS SUBDIVISION. TO ENROLL THEREIN, THEY MUST authorize the assessor to have their income eligibility verified annually thereafter by the [state] department [of taxation and finance, in lieu of furnishing copies of the applicable income tax return or returns with the application. If the owners of the property and any owners' spouses residing on the premises elect to participate in this program, which shall be known as the STAR income verification program, they] AND must furnish their taxpayer identification numbers in order to facilitate matching with records of the department. Thereafter, their income eligibility shall be verified annually by the department and the assessor shall not request income documentation from them, unless such department advises the assessor that they do not satisfy the applicable income eligibility requirements, or that it is unable to determine whether they satisfy those requirements, OR UNLESS ONE OR MORE OF THE OWNERS OR SPOUSES IN QUESTION WERE NOT REQUIRED TO FILE A NEW YORK INCOME TAX RETURN FOR THE APPLICABLE INCOME TAX YEAR AND DID NOT DO SO. All APPLICANTS FOR THE ENHANCED STAR EXEMPTION AND ALL assessing units shall be required to participate in this program.

(v) (A) Except in the case of a city with a population of one million or more, the assessor shall forward to the department, in the time and manner required by the department, information identifying the persons [who have elected to participate in the STAR income verification program] WHO ARE ENROLLED IN THE STAR INCOME VERIFICATION PROGRAM ESTABLISHED BY THIS PARAGRAPH. After receiving the department's response or responses, the assessing authority shall cause notices to be mailed to participants as provided by paragraph (b) of subdivision five of this section. Information provided to the department identifying such persons, and responses obtained from such department shall be confidential and shall not be subject to disclosure under article six of the public officers law.

(B) In the case of a city of one million or more, the assessor shall forward to the department [of taxation and finance], in the time and manner required by the department, information identifying the persons [who have elected to participate in the STAR income verification program] WHO ARE ENROLLED IN THE STAR INCOME VERIFICATION PROGRAM ESTABLISHED BY THIS PARAGRAPH. The department shall advise the assessor of its findings in the manner provided by the agreement executed pursuant to section one hundred seventy-one-o of the tax law. After receiving such response or responses, the assessing authority shall cause notices to be mailed to participants as provided by paragraph (b) of subdivision five of this section. Information provided to the department identifying such persons, and responses obtained from such department shall be confidential and shall not be subject to disclosure under article six of the public officers law.

(vi) Notwithstanding the provisions of subparagraphs (iv) and (v) of this paragraph, which establish a STAR income verification program, income documentation must be submitted to the assessor in connection with each of the following:

(A) Initial applications for the enhanced STAR exemption;

(B) Renewal applications [submitted by a person or persons who have not elected to participate in the STAR income verification program] WHERE ONE OR MORE OF THE OWNERS OR SPOUSES IN QUESTION WERE NOT REQUIRED TO FILE A NEW YORK INCOME TAX RETURN FOR THE APPLICABLE INCOME TAX YEAR AND DID NOT DO SO;

(C) Applications that would allow an enhanced exemption to resume after having been discontinued;

(D) Applications submitted by a person or persons who had previously qualified for the enhanced exemption but not in the assessing unit in question; and

(E) Applications with respect to which the department [of taxation and finance] has advised the assessor [through the commissioner] that it is unable to determine whether a participant or participants in the STAR income verification program satisfy the income eligibility requirements.

S 2. This act shall take effect immediately and shall apply to the administration of the enhanced STAR exemption authorized by subdivision 4 of section 425 of the real property tax law beginning with final assessment rolls to be completed in 2017.

PART D

Section 1. Subdivision 6 of section 425 of the real property tax law is amended by adding a new paragraph (a-2) to read as follows:

(A-2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHERE A RENEWAL APPLICATION FOR THE "ENHANCED" STAR EXEMPTION AUTHORIZED BY SUBDIVISION FOUR OF THIS SECTION HAS NOT BEEN FILED ON OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING SCHOOL TAXES WITHOUT INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE COMMISSIONER ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION. SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE. AFTER CONSULTING WITH THE ASSESSOR, THE COMMISSIONER MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF THE COMMISSIONER IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II) THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE COMMISSIONER SHALL MAIL NOTICE OF HIS OR HER DETERMINATION TO SUCH OWNER AND THE ASSESSOR. IF THE DETERMINATION STATES THAT THE COMMISSIONER HAS GRANTED THE EXEMPTION, THE ASSESSOR SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE SCHOOL TAXES ARE LEVIED, THE FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

S 2. Section 467 of the real property tax law is amended by adding a new subdivision 8-a to read as follows:

8-A. NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, THE LOCAL GOVERNING BODY OF A MUNICIPAL CORPORATION THAT IS AUTHORIZED TO ADOPT A LOCAL LAW PURSUANT TO SUBDIVISION EIGHT OF THIS SECTION IS FURTHER AUTHORIZED TO ADOPT A LOCAL LAW PROVIDING THAT WHERE A RENEWAL APPLICATION FOR THE EXEMPTION AUTHORIZED BY THIS SECTION HAS NOT BEEN FILED ON OR BEFORE THE TAXABLE STATUS DATE, AND THE OWNER BELIEVES THAT GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THAT DATE, THE OWNER MAY, NO LATER THAN THE LAST DAY FOR PAYING TAXES WITHOUT INCURRING INTEREST OR PENALTY, SUBMIT A WRITTEN REQUEST TO THE ASSESSOR ASKING HIM OR HER TO EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION.

SUCH REQUEST SHALL CONTAIN AN EXPLANATION OF WHY THE DEADLINE WAS MISSED, AND SHALL BE ACCOMPANIED BY A RENEWAL APPLICATION, REFLECTING THE FACTS AND CIRCUMSTANCES AS THEY EXISTED ON THE TAXABLE STATUS DATE. THE ASSESSOR MAY EXTEND THE FILING DEADLINE AND GRANT THE EXEMPTION IF HE OR SHE IS SATISFIED THAT (I) GOOD CAUSE EXISTED FOR THE FAILURE TO FILE THE RENEWAL APPLICATION BY THE TAXABLE STATUS DATE, AND THAT (II) THE APPLICANT IS OTHERWISE ENTITLED TO THE EXEMPTION. THE ASSESSOR SHALL MAIL NOTICE OF HIS OR HER DETERMINATION TO THE OWNER. IF THE DETERMINATION STATES THAT THE ASSESSOR HAS GRANTED THE EXEMPTION, HE OR SHE SHALL THEREUPON BE AUTHORIZED AND DIRECTED TO CORRECT THE ASSESSMENT ROLL ACCORDINGLY, OR, IF ANOTHER PERSON HAS CUSTODY OR CONTROL OF THE ASSESSMENT ROLL, TO DIRECT THAT PERSON TO MAKE THE APPROPRIATE CORRECTIONS. IF THE CORRECTION IS NOT MADE BEFORE TAXES ARE LEVIED, THE FAILURE TO TAKE THE EXEMPTION INTO ACCOUNT IN THE COMPUTATION OF THE TAX SHALL BE DEEMED A "CLERICAL ERROR" FOR PURPOSES OF TITLE THREE OF ARTICLE FIVE OF THIS CHAPTER, AND SHALL BE CORRECTED ACCORDINGLY.

S 3. This act shall take effect on the sixtieth day after it shall have become a law.

PART E

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

(EEE) SCHOOL TAX REDUCTION CREDIT FOR RESIDENTS OF A CITY WITH A POPULATION OVER ONE MILLION. (1) FOR TAXABLE YEARS BEGINNING AFTER TWO THOUSAND FIFTEEN, A SCHOOL TAX REDUCTION CREDIT SHALL BE ALLOWED TO A RESIDENT INDIVIDUAL OF THE STATE WHO IS A RESIDENT OF A CITY WITH A POPULATION OVER ONE MILLION, AS PROVIDED BELOW. THE CREDIT SHALL BE ALLOWED AGAINST THE TAXES AUTHORIZED BY THIS ARTICLE REDUCED BY THE CREDITS PERMITTED BY THIS ARTICLE. IF THE CREDIT EXCEEDS THE TAX AS SO REDUCED, 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 WILL BE PAID THEREON. FOR PURPOSES OF THIS SUBSECTION, NO CREDIT SHALL BE GRANTED TO AN INDIVIDUAL WITH RESPECT TO WHOM A DEDUCTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED FIFTY-ONE OF THE INTERNAL REVENUE CODE IS ALLOWABLE TO ANOTHER TAXPAYER FOR THE TAXABLE YEAR.

(2) THE AMOUNT OF THE CREDIT UNDER THIS PARAGRAPH SHALL BE DETERMINED BASED UPON THE TAXPAYER'S INCOME AS DEFINED IN SUBPARAGRAPH (II) OF PARAGRAPH (B) OF SUBDIVISION FOUR OF SECTION FOUR HUNDRED TWENTY-FIVE OF THE REAL PROPERTY TAX LAW. FOR THE PURPOSES OF THIS PARAGRAPH, ANY TAXPAYER UNDER SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH WITH INCOME OF MORE THAN TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL NOT RECEIVE A CREDIT.

(A) MARRIED INDIVIDUALS FILING JOINT RETURNS AND SURVIVING SPOUSES. IN THE CASE OF MARRIED INDIVIDUALS WHO MAKE A SINGLE RETURN JOINTLY AND OF A SURVIVING SPOUSE, THE CREDIT SHALL BE ONE HUNDRED TWENTY-FIVE DOLLARS.

(B) ALL OTHERS. IN THE CASE OF AN UNMARRIED INDIVIDUAL, A HEAD OF A HOUSEHOLD OR A MARRIED INDIVIDUAL FILING A SEPARATE RETURN, THE CREDIT SHALL BE SIXTY-TWO DOLLARS AND FIFTY CENTS.

(3) PART-YEAR RESIDENTS. IF A TAXPAYER CHANGES STATUS DURING THE TAXABLE YEAR FROM RESIDENT TO NONRESIDENT, OR FROM NONRESIDENT TO RESIDENT, THE SCHOOL TAX REDUCTION CREDIT AUTHORIZED BY THIS SUBSECTION SHALL BE PRORATED ACCORDING TO THE NUMBER OF MONTHS IN THE PERIOD OF RESIDENCE.

S 2. Paragraphs 1 and 2 of subsection (e) of section 1310 of the tax law, paragraph 1 as amended by section 3 of part A of chapter 56 of the

laws of 1998, paragraph 2 as amended by section 1 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 4 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven, AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this subsection, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For the purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of this chapter.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]- 2015	$125

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]- 2015	$62.50

S 3. Paragraphs 1 and 2 of subsection (c) of section 11-1706 of the administrative code of the city of New York, paragraph 1 as amended by section 6 of part A of chapter 56 of the laws of 1998, paragraph 2 as

amended by section 2 of part R of chapter 57 of the laws of 2008 and subparagraphs (A) and (B) of paragraph 2 as amended by section 5 of part M of chapter 57 of the laws of 2009, are amended to read as follows:

(1) For taxable years beginning after nineteen hundred ninety-seven AND ENDING BEFORE TWO THOUSAND SIXTEEN, a state school tax reduction credit shall be allowed as provided in the following tables. The credit shall be allowed against the taxes authorized by this article reduced by the credits permitted by this article. If the credit exceeds the tax as so reduced, the taxpayer may receive, and the comptroller, subject to a certificate of the commissioner, shall pay as an overpayment, without interest, the amount of such excess. For purposes of this [subdivision] SUBSECTION, no credit shall be granted to an individual with respect to whom a deduction under subsection (c) of section one hundred fifty-one of the internal revenue code is allowable to another taxpayer for the taxable year.

(2) The amount of the credit under this paragraph shall be determined based upon the taxpayer's income as defined in subparagraph (ii) of paragraph (b) of subdivision four of section four hundred twenty-five of the real property tax law. For purposes of this paragraph, any taxpayer under subparagraphs (A) and (B) of this paragraph with income of more than two hundred fifty thousand dollars shall not receive a credit.

Beginning in the two thousand ten tax year and each tax year thereafter THROUGH TWO THOUSAND FIFTEEN, the "more than two hundred fifty thousand dollar" income limitation shall be adjusted by applying the inflation factor set forth herein, and rounding each result to the nearest multiple of one hundred dollars. The department shall establish the income limitation to be associated with each subsequent tax year by applying the inflation factor set forth herein to the figures that define the income limitation that were applicable to the preceding tax year, as determined pursuant to this [subdivision] SUBSECTION, and rounding each result to the nearest multiple of one hundred dollars. Such determination shall be made no later than March first, two thousand ten and each year thereafter.

[For purposes of this paragraph, the "inflation factor" shall be determined in accordance with the provisions set forth in subdivision fifteen of section one hundred seventy-eight of the tax law.]

(A) Married individuals filing joint returns and surviving spouses. In the case of a husband and wife who make a single return jointly and of a surviving spouse:

For taxable years beginning:	The credit shall be:
in 2001-2005	$125
in 2006	$230
in 2007-2008	$290
in 2009 [and after]- 2015	$125

(B) All others. In the case of an unmarried individual, a head of a household or a married individual filing a separate return:

For taxable years beginning:	The credit shall be:
in 2001-2005	$62.50
in 2006	$115
in 2007-2008	$145
in 2009 [and after]- 2015	$62.50

S 4. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2016.

PART F

Section 1. Section 425 of the real property tax law is amended by adding a new subdivision 16 to read as follows:

(16) NOTWITHSTANDING ANY PROVISION OF LAW TO THE CONTRARY, WHEN THE COMMISSIONER FINDS THAT A PROPERTY OWNER WAS ELIGIBLE FOR THE STAR EXEMPTION AUTHORIZED BY THIS SECTION ON AN ASSESSMENT ROLL, BUT THE EXEMPTION WAS NOT TAKEN INTO ACCOUNT IN THE CALCULATION OF THE PROPERTY OWNER'S SCHOOL TAX BILL DUE TO AN ADMINISTRATIVE ERROR, AND THE PROPERTY OWNER OR HIS OR HER AGENT PAID AN EXCESSIVE AMOUNT OF SCHOOL TAXES ON THE PROPERTY AS A RESULT, THE COMMISSIONER OF TAXATION AND FINANCE IS AUTHORIZED TO REMIT DIRECTLY TO THE PROPERTY OWNER THE TAX SAVINGS THAT THE STAR EXEMPTION WOULD HAVE YIELDED IF THE STAR EXEMPTION HAD BEEN TAKEN INTO ACCOUNT IN THE CALCULATION OF THAT TAXPAYER'S SCHOOL TAX BILL. THE AMOUNTS PAYABLE UNDER THIS SECTION SHALL BE PAID FROM THE ACCOUNT ESTABLISHED FOR THE PAYMENT OF STAR BENEFITS TO LATE REGISTRANTS PURSUANT TO SUBPARAGRAPH (III) OF PARAGRAPH (A) OF SUBDIVISION FOURTEEN OF THIS SECTION. WHERE SUCH A PAYMENT HAS BEEN MADE, NEITHER THE PROPERTY OWNER NOR HIS OR HER AGENT SHALL BE ENTITLED TO A REFUND OF THE EXCESSIVE AMOUNT OF SCHOOL TAXES PAID ON ACCOUNT OF THE ADMINISTRATIVE ERROR.

S 2. This act shall take effect immediately.

PART G

Section 1. Paragraph 10 of subsection (g) of section 658 of the tax law is REPEALED.

S 2. Paragraph 10 of subdivision (g) of section 11-1758 of the administrative code of the city of New York is REPEALED.

S 3. Paragraph 5 of subsection (u) of section 685 of the tax law is REPEALED.

S 4. Paragraph 5 of subdivision (t) of section 11-1785 of the administrative code of the city of New York is REPEALED.

S 5. Section 23 of part U of chapter 61 of the laws of 2011, amending the real property tax law and other laws relating to establishing standards for electronic tax administration, as amended by section 1 of part H of chapter 59 of the laws of 2013, is amended to read as follows:

S 23. This act shall take effect immediately; provided, however, that:

(a) the amendments to section 29 of the tax law made by section thirteen of this act shall apply to tax documents filed or required to be filed on or after the sixtieth day after which this act shall have become a law [and shall expire and be deemed repealed December 31, 2016], provided however that the amendments to paragraph 4 of subdivision (a) of section 29 of the tax law and paragraph 2 of subdivision (e) of section 29 of the tax law made by section thirteen of this act with regard to individual taxpayers shall take effect September 15, 2011 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; provided that the commissioner of taxation and finance shall notify the legislative bill drafting commission of the date of the issuance of such report in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law;

(b) sections fourteen, fifteen, sixteen and seventeen of this act shall take effect September 15, 2011 but only if the commissioner of

taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; AND

(c) sections fourteen-a and fifteen-a of this act shall take effect September 15, 2011 and expire and be deemed repealed December 31, 2012 but shall take effect only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is eighty-five percent or greater[;

(d) sections fourteen-b, fifteen-b, sixteen-a and seventeen-a of this act shall take effect January 1, 2017 but only if the commissioner of taxation and finance has reported in the report required by section seventeen-b of this act that the percentage of individual taxpayers electronically filing their 2010 income tax returns is less than eighty-five percent; and

(e) sections twenty-one and twenty-one-a of this act shall expire and be deemed repealed December 31, 2016].

S 6. Subsection (aa) of section 685 of the tax law is REPEALED and a new subsection (aa) is added to read as follows:

(AA) TAX PREPARER PENALTY. -- (1) IF AN INCOME TAX PREPARER TAKES A POSITION ON ANY RETURN THAT EITHER UNDERSTATES THE TAX LIABILITY OR INCREASES THE CLAIM FOR A REFUND, AND THE PREPARER KNEW, OR REASONABLY SHOULD HAVE KNOWN, THAT SAID POSITION WAS NOT PROPER, AND SUCH POSITION WAS NOT ADEQUATELY DISCLOSED ON THE RETURN OR IN A STATEMENT ATTACHED TO THE RETURN, SUCH INCOME TAX PREPARER SHALL PAY A PENALTY OF BETWEEN ONE HUNDRED AND ONE THOUSAND DOLLARS.

(2) IF AN INCOME TAX PREPARER TAKES A POSITION ON ANY RETURN THAT EITHER UNDERSTATES THE TAX LIABILITY OR INCREASES THE CLAIM FOR A REFUND AND THE UNDERSTATEMENT OF THE TAX LIABILITY OR THE INCREASED CLAIM FOR REFUND IS DUE TO THE PREPARER'S RECKLESS OR INTENTIONAL DISREGARD OF THE LAW, RULES OR REGULATIONS, SUCH PREPARER SHALL PAY A PENALTY OF BETWEEN FIVE HUNDRED AND FIVE THOUSAND DOLLARS. THE AMOUNT OF THE PENALTY PAYABLE BY ANY PERSON BY REASON OF THIS PARAGRAPH SHALL BE REDUCED BY THE AMOUNT OF THE PENALTY PAID BY SUCH PERSON BY REASON OF PARAGRAPH (1) OF THIS SUBSECTION.

(3) FOR PURPOSES OF THIS SUBSECTION, THE TERM "UNDERSTATEMENT OF LIABILITY" MEANS ANY UNDERSTATEMENT OF THE NET AMOUNT PAYABLE WITH RESPECT TO ANY TAX IMPOSED UNDER THIS ARTICLE OR ANY OVERSTATEMENT OF THE NET AMOUNT CREDITABLE OR REFUNDABLE WITH RESPECT TO ANY SUCH TAX.

(4) THIS SUBSECTION SHALL NOT APPLY IF THE PENALTY UNDER SUBSECTION (R) OF THIS SECTION IS IMPOSED ON THE TAX RETURN PREPARER WITH RESPECT TO SUCH UNDERSTATEMENT.

S 7. Subsection (u) of section 685 of the tax law is amended by adding two new paragraphs (1) and (2) to read as follows:

(1) FAILURE TO SIGN RETURN OR CLAIM FOR REFUND. ANY INDIVIDUAL WHO IS A TAX RETURN PREPARER BUT IS NOT SUBJECT TO THE REQUIREMENTS UNDER SECTION THIRTY-TWO OF THIS CHAPTER, WHO IS REQUIRED PURSUANT TO PARAGRAPH ONE OF SUBSECTION (G) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THIS ARTICLE TO SIGN A RETURN OR CLAIM FOR REFUND AND WHO FAILS TO COMPLY WITH SUCH REQUIREMENT WITH RESPECT TO SUCH RETURN OR CLAIM FOR REFUND, SHALL BE SUBJECT TO A PENALTY OF TWO HUNDRED FIFTY DOLLARS FOR EACH SUCH FAILURE TO SIGN, UNLESS IT IS SHOWN THAT SUCH FAILURE IS DUE TO REASONABLE CAUSE AND NOT DUE TO WILLFUL NEGLECT. THE MAXIMUM PENALTY IMPOSED UNDER THIS PARAGRAPH ON ANY TAX RETURN PREPARER WITH RESPECT TO RETURNS FILED DURING ANY CALENDAR YEAR BY THE TAX RETURN PREPARER MUST NOT

EXCEED TEN THOUSAND DOLLARS. PROVIDED, HOWEVER, THAT IF A TAX RETURN PREPARER HAS BEEN PENALIZED UNDER THIS PARAGRAPH FOR A PRECEDING CALENDAR YEAR AND AGAIN FAILS TO SIGN HIS OR HER NAME ON ANY RETURN THAT REQUIRES THE TAX RETURN PREPARER'S SIGNATURE DURING A SUBSEQUENT CALENDAR YEAR, THEN THE PENALTY UNDER THIS PARAGRAPH FOR EACH FAILURE WILL BE FIVE HUNDRED DOLLARS, AND NO ANNUAL CAP WILL APPLY.

(2) FAILURE TO FURNISH IDENTIFYING NUMBER. IF ANY IDENTIFYING NUMBER REQUIRED TO BE INCLUDED ON ANY RETURN OR CLAIM FOR REFUND PURSUANT TO PARAGRAPH TWO OF SUBSECTION (G) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THIS ARTICLE IS NOT SO INCLUDED, THE PERSON WHO IS THE TAX RETURN PREPARER BUT IT NOT SUBJECT TO THE REQUIREMENTS UNDER SECTION THIRTY-TWO OF THIS CHAPTER WITH RESPECT TO SUCH RETURN OR CLAIM FOR REFUND, SHALL BE SUBJECT TO A PENALTY OF ONE HUNDRED DOLLARS FOR EACH SUCH FAILURE, UNLESS IT IS SHOWN THAT SUCH FAILURE IS DUE TO REASONABLE CAUSE AND NOT WILLFUL NEGLECT. THE MAXIMUM PENALTY IMPOSED UNDER THIS PARAGRAPH ON ANY TAX RETURN PREPARER WITH RESPECT TO RETURNS FILED DURING ANY CALENDAR YEAR MUST NOT EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS; PROVIDED, HOWEVER, THAT IF A TAX RETURN PREPARER HAS BEEN PENALIZED UNDER THIS PARAGRAPH FOR A PRECEDING CALENDAR YEAR AND AGAIN FAILS TO INCLUDE THE IDENTIFYING NUMBER ON ONE OR MORE RETURNS DURING A SUBSEQUENT CALENDAR YEAR, THEN THE PENALTY UNDER THIS PARAGRAPH FOR EACH FAILURE WILL BE TWO HUNDRED FIFTY DOLLARS, AND NO ANNUAL CAP WILL APPLY.

S 8. This act shall take effect immediately; provided, however, that section seven of this act shall apply to taxable years commencing on and after January 1, 2016.

PART H

Section 1. Subdivision 4 of section 22 of the public housing law, as amended by section 2 of part P of chapter 59 of the laws of 2014, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [sixty-four] SEVENTY-TWO million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 2. Subdivision 4 of section 22 of the public housing law, as amended by section one of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [seventy-two] EIGHTY million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 3. Subdivision 4 of section 22 of the public housing law as amended by section two of this act is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [eighty] EIGHTY-EIGHT million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 4. Subdivision 4 of section 22 of the public housing law, as amended by section three of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [eighty-eight] NINETY-SIX million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 5. Subdivision 4 of section 22 of the public housing law, as amended by section four of this act, is amended to read as follows:

4. Statewide limitation. The aggregate dollar amount of credit which the commissioner may allocate to eligible low-income buildings under this article shall be [ninety-six] ONE HUNDRED FOUR million dollars. The limitation provided by this subdivision applies only to allocation of the aggregate dollar amount of credit by the commissioner, and does not apply to allowance to a taxpayer of the credit with respect to an eligible low-income building for each year of the credit period.

S 6. This act shall take effect immediately; provided, however, section two of this act shall take effect April 1, 2017; section three of this act shall take effect April 1, 2018; section four of this act shall take effect April 1, 2019 and section five of this act shall take effect April 1, 2020.

PART I

Section 1. Paragraphs (a) and (b) of subdivision 29 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, are amended to read as follows:

(a) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than one year and for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(b) Qualified veteran. A qualified veteran is an individual:

(1) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(2) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(3) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 2. Paragraphs 1 and 2 of subsection (a-2) of section 606 of the tax law, as added by section 3 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subsection, against the tax imposed by this article, for hiring and employing, for not less than one year and for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subsection, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(2) Qualified veteran. A qualified veteran is an individual:

(A) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(C) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 3. Paragraphs 1 and 2 of subdivision (g-1) of section 1511 of the tax law, as added by section 5 of part AA of chapter 59 of the laws of 2013, are amended to read as follows:

(1) Allowance of credit. For taxable years beginning on or after January first, two thousand fifteen and before January first, two thousand [seventeen] NINETEEN, a taxpayer shall be allowed a credit, to be computed as provided in this subdivision, against the tax imposed by this article, for hiring and employing, for not less than one year and for not less than thirty-five hours each week, a qualified veteran within the state. The taxpayer may claim the credit in the year in which the qualified veteran completes one year of employment by the taxpayer. If the taxpayer claims the credit allowed under this subdivision, the taxpayer may not use the hiring of a qualified veteran that is the basis for this credit in the basis of any other credit allowed under this article.

(2) Qualified veteran. A qualified veteran is an individual:

(A) who served on active duty in the United States army, navy, air force, marine corps, coast guard or the reserves thereof, or who served in active military service of the United States as a member of the army national guard, air national guard, New York guard or New York naval militia; who was released from active duty by general or honorable discharge after September eleventh, two thousand one;

(B) who commences employment by the qualified taxpayer on or after January first, two thousand fourteen, and before January first, two thousand [sixteen] EIGHTEEN; and

(C) who certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for thirty-five or more hours during any

week in the one hundred eighty day period immediately prior to his or her employment by the taxpayer.

S 4. This act shall take effect immediately.

PART J

Section 1. Paragraph 1 of subdivision (a) of section 28 of the tax law, as amended by section 1 of part O of chapter 59 of the laws of 2014, is amended to read as follows:

(1) A taxpayer which is a qualified commercial production company, or which is a sole proprietor of a qualified commercial production company, and which is 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 (c) of this section, to be computed as provided in this section. Provided, however, to be eligible for such credit, at least seventy-five percent of the production costs (excluding post production costs) paid or incurred directly and predominantly in the actual filming or recording of the qualified commercial must be costs incurred in New York state. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 2. Paragraph (c) of subdivision 23 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(c) Expiration of credit. The credit allowed under this subdivision shall not be applicable to taxable years beginning on or after [December thirty-first] JANUARY FIRST, two thousand [seventeen] NINETEEN.

S 3. Paragraph 1 of subsection (jj) of section 606 of the tax law, as amended by section 4 of part O of chapter 59 of the laws of 2014, is amended to read as follows:

(1) Allowance of credit. A taxpayer that is eligible pursuant to the provisions of section twenty-eight of this chapter shall be allowed a credit to be computed as provided in such section against the tax imposed by this article. The tax credit allowed pursuant to this section shall apply to taxable years beginning before January first, two thousand [seventeen] NINETEEN.

S 4. This act shall take effect immediately.

PART K

Section 1. Section 5 of chapter 604 of the laws of 2011, amending the tax law relating to the credit for companies who provide transportation to people with disabilities, is amended to read as follows:

S 5. This act shall take effect immediately and shall remain in effect until December 31, 2016 when upon such date it shall be deemed repealed; provided that this act shall be deemed to have been in full force and effect on December 31, 2010; [and] provided further that this act shall apply to all tax years commencing on or after January 1, 2011; AND PROVIDED FURTHER THAT SECTIONS ONE AND TWO OF THIS ACT SHALL REMAIN IN EFFECT UNTIL DECEMBER 31, 2022 WHEN UPON SUCH DATE SUCH SECTIONS SHALL BE DEEMED REPEALED.

S 2. Paragraph (c) of subdivision 38 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(c) Application of credit. In no event shall the credit allowed under this subdivision for any taxable year reduce the tax due for such year

to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum amount, any amount of credit thus not deductible in such taxable year shall be carried over to the following year or years, and may be deducted from the taxpayer's tax for such year or years. THE TAX CREDIT ALLOWED PURSUANT TO THIS SUBDIVISION SHALL NOT APPLY TO TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND TWENTY-THREE.

S 3. This act shall take effect immediately.

PART L

Section 1. Section 2 of part I of chapter 58 of the laws of 2006, relating to providing an enhanced earned income tax credit, as amended by section 1 of part G of chapter 59 of the laws of 2014, is amended to read as follows:

S 2. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006 [and before January 1, 2017].

S 2. This act shall take effect immediately.

PART M

Section 1. Section 12 of part N of chapter 61 of the laws of 2005, amending the tax law relating to certain transactions and related information and relating to the voluntary compliance initiative, as amended by section 1 of part B of chapter 61 of the laws of 2011, is amended to read as follows:

S 12. This act shall take effect immediately; provided, however, that (i) section one of this act shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that were required to be filed with the internal revenue service at any time with respect to "listed transactions" as described in such paragraph 1, and shall apply to all disclosure statements described in paragraph 1 of subdivision (a) of section 25 of the tax law, as added by section one of this act, that were required to be filed with the internal revenue service with respect to "reportable transactions" as described in such paragraph 1, other than "listed transactions", in which a taxpayer participated during any taxable year for which the statute of limitations for assessment has not expired as of the date this act shall take effect, and shall apply to returns or statements described in such paragraph 1 required to be filed by taxpayers (or persons as described in such paragraph) with the commissioner of taxation and finance on or after the sixtieth day after this act shall have become a law; and

(ii) sections two through four and seven through nine of this act shall apply to any tax liability for which the statute of limitations on assessment has not expired as of the date this act shall take effect[; and

(iii) provided, further, that the provisions of this act, except section five of this act, shall expire and be deemed repealed July 1, 2015; provided, that, such expiration and repeal shall not affect any requirement imposed pursuant to this act].

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after July 1, 2015; provided, however that notwithstanding the provisions of article 5 of the general construction law, the provisions of section 25, paragraph 11 of subsection (c) of section 683, subsections (p), (p-1), (x), (y), (z), (aa) and (bb) of section 685, paragraph 11 of subsection (c) of section 1083, subsections (k), (k-1), (p), (q), (r), (s) and (t) of section 1085 of the tax law, and section 11 of Part N of chapter 61 of the laws of 2005, are hereby revived and shall continue in full force and effect as such provisions existed on July 1, 2015.

PART N

Section 1. Paragraph (a) of subdivision 25 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) General. A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheat, used for space heating or hot water production for residential purposes within this state purchased before January first, two thousand [seventeen] TWENTY. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheat, not to exceed twenty cents per gallon, purchased by such taxpayer. PROVIDED, HOWEVER, THAT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT SHALL NOT APPLY TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER GALLON OF BIOHEAT.

S 2. Paragraph 1 of subsection (mm) of section 606 of the tax law, as amended by chapter 193 of the laws of 2012, is amended to read as follows:

(1) A taxpayer shall be allowed a credit against the tax imposed by this article. Such credit, to be computed as hereinafter provided, shall be allowed for bioheat, used for space heating or hot water production for residential purposes within this state and purchased on or after July first, two thousand six and before July first, two thousand seven and on or after January first, two thousand eight and before January first, two thousand [seventeen] TWENTY. Such credit shall be $0.01 per percent of biodiesel per gallon of bioheat, not to exceed twenty cents per gallon, purchased by such taxpayer. PROVIDED, HOWEVER, THAT ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, THIS CREDIT SHALL NOT APPLY TO BIOHEAT THAT IS LESS THAN SIX PERCENT BIODIESEL PER GALLON OF BIOHEAT.

S 3. This act shall take effect immediately.

PART O

Section 1. Section 359 of the economic development law, as amended by section 3 of part C of chapter 68 of the laws of 2013, is amended to read as follows:

S 359. Cap on tax credit. The total amount of tax credits listed on certificates of tax credit issued by the commissioner for any taxable year may not exceed the limitations set forth in this section. One-half of any amount of tax credits not awarded for a particular taxable year IN YEARS TWO THOUSAND ELEVEN THROUGH TWO THOUSAND TWENTY-FOUR may be used by the commissioner to award tax credits in another taxable year.

Credit components in the aggregate With respect to taxable

shall not exceed:	years beginning in:
$ 50 million	2011
$ 100 million	2012
$ 150 million	2013
$ 200 million	2014
$ 250 million	2015
$ 200 million	2016
$ 200 million	2017
$ 200 million	2018
$ 200 million	2019
$ 200 million	2020
$ 200 million	2021
$ 150 million	2022
$ 100 million	2023
$ 50 million	2024

Twenty-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision four of section three hundred fifty-three of this article and seventy-five percent of tax credits shall be allocated to businesses accepted into the program under subdivision three of section three hundred fifty-three of this article.

Provided, however, if by September thirtieth of a calendar year, the department has not allocated the full amount of credits available in that year to either: (i) businesses accepted into the program under subdivision four of section three hundred fifty-three of this article or (ii) businesses accepted into the program under subdivision three of section three hundred fifty-three of this article, the commissioner may allocate any remaining tax credits to businesses referenced in [paragraphs (i) and (ii) of this section] THIS PARAGRAPH as needed; provided, however, that under no circumstances may the AGGREGATE statutory cap FOR ALL PROGRAM YEARS be exceeded. ONE HUNDRED PERCENT OF THE UNAWARDED AMOUNTS REMAINING AT THE END OF TWO THOUSAND TWENTY-FOUR MAY BE ALLOCATED IN SUBSEQUENT YEARS, NOTWITHSTANDING THE FIFTY PERCENT LIMITATION ON ANY AMOUNTS OF TAX CREDITS NOT AWARDED IN TAXABLE YEARS TWO THOUSAND ELEVEN THROUGH TWO THOUSAND TWENTY-FOUR. PROVIDED, HOWEVER, NO TAX CREDITS MAY BE ALLOWED FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTY.

S 2. Subdivision 5 of section 354 of the economic development law, as amended by section 2 of part C of chapter 68 of the laws of 2013, is amended to read as follows:

5. A participant may claim tax benefits commencing in the first taxable year that the business enterprise receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later. A participant may claim such benefits for the next nine consecutive taxable years, provided that the participant demonstrates to the department that it continues to satisfy the eligibility criteria specified in section three hundred fifty-three of this article and subdivision two of this section in each of those taxable years, AND PROVIDED THAT NO TAX CREDITS MAY BE ALLOWED FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTY. If, in any given year, a participant who has satisfied the eligibility criteria specified in section three hundred fifty-three of this article realizes job creation less than the estimated amount, the credit shall be reduced by the proportion of actual job creation to the estimated amount,

provided the proportion is at least seventy-five percent of the jobs estimated.

S 3. Subdivision (b) of section 31 of the tax law, as added by section 7 of part G of chapter 61 of the laws of 2011, is amended to read as follows:

(b) To be eligible for the excelsior jobs program credit, the taxpayer shall have been issued a "certificate of tax credit" by the department of economic development pursuant to subdivision four of section three hundred fifty-four of the economic development law, which certificate shall set forth the amount of each credit component that may be claimed for the taxable year. A taxpayer may claim such credit for ten consecutive taxable years commencing in the first taxable year that the taxpayer receives a certificate of tax credit or the first taxable year listed on its preliminary schedule of benefits, whichever is later, PROVIDED THAT NO TAX CREDITS MAY BE ALLOWED FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND THIRTY. The taxpayer shall be allowed to claim only the amount listed on the certificate of tax credit for that taxable year. Such certificate must be attached to the taxpayer's return. No cost or expense paid or incurred by the taxpayer shall be the basis for more than one component of this credit or any other tax credit, except as provided in section three hundred fifty-five of the economic development law.

S 4. This act shall take effect immediately.

PART P

Section 1. Subdivision (c) of section 24 of the tax law, as added by section 1 of part P of chapter 60 of the laws of 2004, is amended to read as follows:

(c) 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] 210-B: subdivision [36] 20.

(2) article 22: section 606: subsection (gg).

S 2. Subdivision (a) and paragraphs 2, 4, and 5 of subdivision (e) of section 38 of the tax law, as added by section 1 of part EE of chapter 59 of the laws of 2013, are amended to read as follows:

(a) A taxpayer that is an eligible employer or an owner of an eligible employer as defined in subdivision (b) of this section shall be eligible for a credit against the tax imposed under article nine, nine-A, twenty-two, [thirty-two] or thirty-three of this article, pursuant to the provisions referenced in subdivision (e) of this section.

(2) Article 9-A: Section [210] 210-B, subdivision [46] 40.

(4) [Article 32: Section 1456, subsection (z).

(5)] Article 33: Section 1511, subdivision (cc).

S 3. Paragraph (e) of subdivision 1 of section 209 of the tax law, as added by section 5 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(e) At the end of each year, the commissioner shall review the cumulative percentage change in the consumer price index. The commissioner shall adjust the receipt thresholds set forth in this subdivision if the consumer price index has changed by ten percent or more since January first, two thousand fifteen, or since the date that the thresholds were last adjusted under this subdivision. The thresholds shall be adjusted to reflect that cumulative percentage change in the consumer price index. The adjusted thresholds shall be rounded to the nearest one thousand dollars. As used in this paragraph, "consumer price index" means

the consumer price index for all urban consumers (CPI-U) available [form] FROM the bureau of labor statistics of the United States department of labor. Any adjustment shall apply to tax periods that begin after the adjustment is made.

S 4. The opening paragraph of paragraph (a) of subdivision 5 of section 210-A of the tax law, as amended by section 23 of part T of chapter 59 of the laws of 2015, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of the clauses (A), (B), (C), (D), (G), (H) or (I) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, [and] (iii) stock that is investment capital as defined in paragraph (a) of subdivision five of section two hundred eight of this article shall not be a qualified financial instrument, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME AS DEFINED IN SUBDIVISION SIX-A OF SECTION TWO HUNDRED EIGHT OF THIS ARTICLE AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS DESCRIBED IN SUCH SUBDIVISION SIX-A. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis.

S 5. Paragraph (c) of subdivision 7 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(c) Average number of individuals employed full-time. For the purposes of this subdivision, average number of individuals employed full-time shall be computed by adding the number of such individuals employed by the taxpayer at the end of each quarter during each taxable year or other applicable period and dividing the sum so obtained by the number of such quarters occurring within such taxable year or other applicable period; provided however, except that in computing base year employment, there shall be excluded therefrom any employee with respect to whom a credit provided for under subdivision [six of this section is] NINETEEN OF SECTION TWO HUNDRED TEN OF THIS ARTICLE, AS SUCH SUBDIVISION WAS IN EFFECT ON DECEMBER THIRTY-FIRST, TWO THOUSAND FOURTEEN, WAS claimed for the taxable year.

S 6. Paragraph (a) of subdivision 9 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) Application of credit. A taxpayer shall be allowed a credit, to be credited against the tax imposed by this article, equal to the amount of the special additional mortgage recording tax paid by the taxpayer

pursuant to the provisions of subdivision one-a of section two hundred fifty-three of this chapter [or] ON mortgages recorded. Provided, however, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in one or more of the counties comprising the metropolitan commuter transportation area. Provided further, however, no credit shall be allowed with respect to a mortgage of real property principally improved or to be improved by one or more structures containing in the aggregate not more than six residential dwelling units, each dwelling unit having its own separate cooking facilities, where the real property is located in the county of Erie.

S 7. Subdivision 45 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

45. Order of credits. [(a)] Credits allowable under this article which cannot be carried over and which are not refundable shall be deducted first. [The credit allowable under subdivision six of this section shall be deducted immediately after the deduction of all credits allowable under this article which cannot be carried over and which are not refundable, whether or not a portion of such credit is refundable.] Credits allowable under this article which can be carried over, and carryovers of such credits, shall be deducted next [after the deduction of the credit allowable under subdivision six of this section], and among such credits, those whose carryover is of limited duration shall be deducted before those whose carryover is of unlimited duration. Credits allowable under this article which are refundable [(other than the credit allowable under subdivision six of this section)] shall be deducted last.

S 8. Paragraph (a) of subdivision 3 of section 210-C of the tax law, as added by section 18 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) Subject to the provisions of paragraph (c) of subdivision two of this section, a taxpayer may elect to treat as its combined group all corporations that meet the ownership requirements described in paragraph (a) of subdivision two of this section (such corporations collectively referred to in this subdivision as the "commonly owned group"). If that election is made, the commonly owned group shall calculate the combined business income, combined capital, and fixed dollar minimum bases of all members of the group in accordance with [paragraph] SUBDIVISION four of this [subdivision] SECTION, whether or not that business income or business capital is from a single unitary business.

S 9. Paragraph I of subdivision 1 of section 11-604 of the administrative code of the city of New York, as added by chapter 491 of the laws of 2007, is amended to read as follows:

I. Notwithstanding any provision of this subdivision to the contrary, for taxable years beginning on or after January first, two thousand seven for any corporation that:

(a) has a business allocation percentage for the taxable year, as determined under paragraph (a) of subdivision three of this section, of one hundred percent;

(b) has no investment capital or income at any time during the taxable year;

(c) has no subsidiary capital or income at any time during the taxable year; and

(d) has gross income, as defined in section sixty-one of the internal revenue code, less than two hundred fifty thousand dollars for the taxable year:

the tax imposed by subdivision one of section 11-603 of this subchapter shall be the greater of the tax on entire net income computed under clause one of subparagraph (a) of paragraph E of this subdivision and the fixed dollar minimum tax specified in clause four of subparagraph (a) of paragraph E of this subdivision.

For purposes of this paragraph, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND FIFTEEN, any corporation for which an election under subsection (a) of section six hundred sixty of the tax law is not in effect for the taxable year may elect to treat as entire net income the sum of:

(i) entire net income as determined under section two hundred eight of the tax law; and

(ii) any deductions taken for the taxable year in computing federal taxable income for New York city taxes paid or accrued under this chapter.

S 10. Subdivision 2 of section 11-651 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

2. Each reference in THE TAX LAW OR this code to subchapters two or three of this chapter, or any of the provisions thereof, shall be deemed a reference also to this subchapter, and any of the applicable provisions thereof, where appropriate and with all necessary modifications.

S 11. Paragraph (a) of subdivision 4 of section 11-652 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) The term "investment capital" means investments in stocks that: (i) satisfy the definition of a capital asset under section 1221 of the internal revenue code at all times the taxpayer owned such stocks during the taxable year; (ii) are held by the taxpayer for investment for more than one year; (iii) the dispositions of which are, or would be, treated by the taxpayer as generating long-term capital gains or losses under the internal revenue code; (iv) for stocks acquired on or after January first, two thousand fifteen, at any time after the close of the day in which they are acquired, have never been held for sale to customers in the regular course of business; and (v) before the close of the day on which the stock was acquired, are clearly identified in the taxpayer's records as stock held for investment in the same manner as required under section 1236(a)(1) of the internal revenue code for the stock of a dealer in securities to be eligible for capital gain treatment (whether or not the taxpayer is a dealer of securities subject to section 1236), provided, however, that for stock acquired prior to October first, two thousand fifteen that was not subject to section 1236(a) of the internal revenue code, such identification in the taxpayer's records must occur before October first, two thousand fifteen. Stock in a corporation that is conducting a unitary business with the taxpayer, stock in a corporation that is included in a combined report with the taxpayer pursuant to the commonly owned group election in subdivision three of section 11-654.3 of this subchapter, and stock [used] ISSUED by the taxpayer shall not constitute investment capital. For purposes of this subdivision, if the taxpayer owns or controls, directly or indirectly, less than twenty percent of the voting power of the stock of a corporation,

that corporation will be presumed to be conducting a business that is not unitary with the business of the taxpayer.

S 12. Subparagraph 2 of paragraph (a) of subdivision 18 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(2) The amount determined in this subparagraph is the product of (i) the excess of (A) the tax computed under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, without allowance of any credits allowed by this section, over (B) the tax so computed, determined as if the corporation had no such distributive share or guaranteed payments with respect to the unincorporated business, and (ii) a fraction, the numerator of which is four and the denominator of which is eight and eighty-five one hundredths, [provided however,] EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year; [and,] provided[, however,] that the amounts computed in subclauses (A) and (B) of clause (i) of this subparagraph shall be computed with the following modifications:

(A) such amounts shall be computed without taking into account any carryforward or carryback by the partner of a net operating loss or a prior net operation loss conversion subtraction;

(B) if, prior to taking into account any distributive share or guaranteed payments from any unincorporated business or any net operating loss carryforward or carryback, the entire net income of the partner is less than zero, such entire net income shall be treated as zero; and

(C) if such partner's net total distributive share of income, gain, loss and deductions of, and guaranteed payments from, any unincorporated business is less than zero, such net total shall be treated as zero. The amount determined in this subparagraph shall not be less than zero.

S 13. Subparagraph 1 of paragraph (b) of subdivision 18 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(1) Notwithstanding anything to the contrary in paragraph (a) of this subdivision, in the case of a corporation that, before the application of this subdivision or any other credit allowed by this section, is liable for the tax on business income under clause (i) of subparagraph one of paragraph (e) of subdivision one of this section, the credit or the sum of the credits that may be taken by such corporation for a taxable year under this subdivision with respect to an unincorporated business or unincorporated businesses in which it is a partner shall not exceed the tax so computed, without allowance of any credits allowed by this section, multiplied by a fraction the numerator of which is four and the denominator of which is eight and eighty-five one-hundredths [provided, however], EXCEPT THAT IN THE CASE OF A FINANCIAL CORPORATION AS DEFINED IN CLAUSE (I) OF SUBPARAGRAPH ONE OF PARAGRAPH (E) OF SUBDIVISION ONE OF THIS SECTION, SUCH DENOMINATOR IS NINE, AND in the case of a taxpayer that is subject to paragraph (j) or (k) of subdivision one of this section, such denominator shall be the rate of tax as determined by such paragraph (j) or (k) for the taxable year. If the credit allowed under this subdivision or the sum of such credits exceeds the product of such tax and such fraction, the amount of the excess may be carried

forward, in order, to each of the seven immediately succeeding taxable years and, to the extent not previously taken, shall be allowed as a credit in each of such years. In applying the provisions of the preceding sentence, the credit determined for the taxable year under paragraph (a) of this subdivision shall be taken before taking any credit carryforward pursuant to this paragraph and the credit carryforward attributable to the earliest taxable year shall be taken before taking a credit carryforward attributable to a subsequent taxable year.

S 14. Subparagraph 8 of paragraph (a) of subdivision 21 of section 11-654 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(8) The credit allowed under this subdivision shall only be allowed for taxable years beginning before January first, two thousand [sixteen] NINETEEN.

S 15. Paragraph (c) of subdivision 2 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(c) Receipts from sales of tangible personal property and electricity that are traded as commodities as the term "commodity" is defined in section four hundred seventy-five of the internal revenue code, shall be included in the receipts fraction in accordance with clause [(i)] (IX) of subparagraph two of paragraph (a) of subdivision five of this section.

S 16. The opening paragraph of paragraph (a) of subdivision 5 of section 11-654.2 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

A financial instrument is a "nonqualified financial instrument" if it is not a qualified financial instrument. A qualified financial instrument means a financial instrument that is of a type described in any of clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph and that has been marked to market in the taxable year by the taxpayer under section 475 or section 1256 of the internal revenue code. Further, if the taxpayer has in the taxable year marked to market a financial instrument of the type described in any of clause (i), (ii), (iii), (iv), (vii), (viii) or (ix) of subparagraph two of this paragraph, then any financial instrument within that type described in the above specified clause or clauses that has not been marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code is a qualified financial instrument in the taxable year. Notwithstanding the two preceding sentences, (i) a loan secured by real property shall not be a qualified financial instrument, (ii) if the only loans that are marked to market by the taxpayer under section 475 or section 1256 of the internal revenue code are loans secured by real property, then no loans shall be qualified financial instruments, [and] (iii) stock that is investment capital as defined in paragraph (a) of subdivision [4] FOUR of section 11-652 of this subchapter shall not be a qualified financial instrument, AND (IV) STOCK THAT GENERATES OTHER EXEMPT INCOME AS DEFINED IN SUBDIVISION FIVE-A OF SECTION 11-652 OF THIS SUBCHAPTER AND THAT IS NOT MARKED TO MARKET UNDER SECTION 475 OR SECTION 1256 OF THE INTERNAL REVENUE CODE SHALL NOT CONSTITUTE A QUALIFIED FINANCIAL INSTRUMENT WITH RESPECT TO THE INCOME FROM THAT STOCK THAT IS DESCRIBED IN SUCH SUBDIVISION FIVE-A. If a corporation is included in a combined report, the definition of qualified financial instrument shall be determined on a combined basis.

S 17. This act shall take effect immediately; provided however that sections one, two, three, four, five, six, seven and eight of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part A of chapter 59 of the laws of 2014, took effect, and sections nine, ten, eleven, twelve, thirteen, fourteen, fifteen and sixteen of this act shall be deemed to have been in full force and effect on the same date and in the same manner as part D of chapter 60 of the laws of 2015, took effect.

PART Q

Section 1. Subdivision 5 of section 183-a of the tax law, as amended by section 61 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

5. The report covering the tax surcharge which must be calculated pursuant to this section based upon the tax reportable on the report due by March fifteenth of any year under section one hundred eighty-three of this article, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON THE REPORT DUE BY APRIL FIFTEENTH OF ANY YEAR UNDER SECTION ONE HUNDRED EIGHTY-THREE OF THIS ARTICLE, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, shall be filed on or before March fifteenth of the year next succeeding such year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF THE YEAR NEXT SUCCEEDING SUCH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN. An extension pursuant to section one hundred ninety-three of this article shall be allowed only if a taxpayer files with the commissioner an application for extension in such form as said commissioner may prescribe by regulation and pays on or before the date of such filing in addition to any other amounts required under this article, either ninety percent of the entire tax surcharge required to be paid under this section for the applicable period, or not less than the tax surcharge shown on the taxpayer's report for the preceding year, if such preceding year consisted of twelve months. The tax surcharge imposed by this section shall be payable to the commissioner in full at the time the report is required to be filed, and such tax surcharge or the balance thereof, imposed on any taxpayer which ceases to exercise its franchise or be subject to the tax surcharge imposed by this section shall be payable to the commissioner at the time the report is required to be filed, provided such tax surcharge of a domestic corporation which continues to possess its franchise shall be subject to adjustment as the circumstances may require; all other tax surcharges of any such taxpayer, which pursuant to the foregoing provisions of this section would otherwise be payable subsequent to the time such report is required to be filed, shall nevertheless be payable at such time. All of the provisions of this article presently applicable to section one hundred eighty-three of this article are applicable to the tax surcharge imposed by this section except for section one hundred ninety-two of this article.

S 2. Subdivision 4 of section 186-a of the tax law, as amended by chapter 536 of the laws of 1998, is amended to read as follows:

4. Every utility subject to tax hereunder shall file, on or before March fifteenth of each year, a return for the year ended on the preceding December thirty-first, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the

purposes of this subdivision, to have commenced on June first, nineteen hundred seventy-six, AND SHALL FILE, ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, A RETURN FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, including any period for which the tax imposed hereby or by any amendment hereof is effective, each of which returns shall state the gross income or gross operating income for the period covered by each such return. Returns shall be filed with the commissioner of taxation and finance on a form to be furnished by the commissioner for such purpose and shall contain such other data, information or matter as the commissioner may require to be included therein. Notwithstanding the foregoing provisions of this subdivision, the commissioner may require any utility to file an annual return, which shall contain any data specified by the commissioner, regardless of whether the utility is subject to tax under this section; and the commissioner may require a landlord selling to a tenant gas, electric, steam, water or refrigeration or furnishing gas, electric, steam, water or refrigerator service, where the same has been subjected to tax under this section on the sale to such landlord, to file, on or before the fifteenth day of March of each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF APRIL OF EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, an information return for the year ended on the preceding December thirty-first, covering such year in such form and containing such data as the commissioner may specify. Every return shall have annexed thereto a certification by the head of the utility making the same, or of the owner or of a co-partner thereof, or of a principal officer of the corporation, if such business be conducted by a corporation, to the effect that the statements contained therein are true.

S 3. Subdivision 6 of section 186-e of the tax law, as added by chapter 2 of the laws of 1995, is amended to read as follows:

6. Returns. Every provider of telecommunication services subject to tax under this section shall file, on or before March fifteenth of each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, a return for the year ended on the preceding December thirty-first, and pay the tax due, which return shall state the gross receipts for the period covered by each such return and the resale exclusions during such period. Returns shall be filed with the commissioner on a form to be furnished by the commissioner for such purpose and shall contain such other data, information or matter as the commissioner may require to be included therein. Notwithstanding the foregoing provisions of this subdivision, the commissioner may require any provider of telecommunication services to file an annual return, which shall contain any data specified by the commissioner, regardless of whether such provider is subject to tax under this section. Every return shall have annexed thereto a certification by the head of the provider of telecommunication services making the same, or of the owner or of a partner or member thereof, or of a principal officer of the corporation, if such business be conducted by a corporation, to the effect that the statements contained therein are true.

S 4. Subdivision 1 of section 192 of the tax law, as amended by chapter 96 of the laws of 1976, is amended to read as follows:

1. Corporations paying franchise tax. Every corporation, association or joint-stock company liable to pay a tax under section one hundred

eighty-three or one hundred eighty-five of this chapter shall, on or before March fifteenth in each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, make a written report to the [tax commission] COMMISSIONER of its condition at the close of its business on the preceding December thirty-first, stating the amount of its authorized capital stock, the amount of stock paid in, the date and rate per centum of each dividend paid by it during the year ending with such day, the entire amount of the capital of such corporation, and the capital employed by it in this state during such year.

S 5. Subdivision 1 of section 192 of the tax law, as amended by section 26 of part S of chapter 59 of the laws of 2014, is amended to read as follows:

1. Corporations paying franchise tax. Every corporation, association or joint-stock company liable to pay a tax under section one hundred eighty-three of this chapter shall, on or before March fifteenth in each year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE APRIL FIFTEENTH IN EACH YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, make a written report to the [tax commission] COMMISSIONER of its condition at the close of its business on the preceding December thirty-first, stating the amount of its authorized capital stock, the amount of stock paid in, the date and rate per centum of each dividend paid by it during the year ending with such day, the entire amount of the capital of such corporation, and the capital employed by it in this state during such year.

S 6. Subdivision 2 of section 192 of the tax law, as amended by chapter 96 of the laws of 1976, is amended to read as follows:

2. Transportation and transmission corporations. Every transportation or transmission corporation, joint-stock company or association liable to pay an additional franchise tax under section one hundred eighty-four of this chapter, shall also, on or before March fifteenth of each year, make a written report to the [tax commission] COMMISSIONER of the amount of its gross earnings subject to the tax imposed by said section for the year ended on the preceding December thirty-first, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the purposes of this subdivision, to have commenced on July first, nineteen hundred seventy-six, AND SHALL ALSO, ON OR BEFORE APRIL FIFTEENTH OF EACH YEAR, MAKE A WRITTEN REPORT TO THE COMMISSIONER OF THE AMOUNT OF ITS GROSS EARNINGS SUBJECT TO THE TAX IMPOSED BY SAID SECTION FOR THE YEAR ENDED ON THE PRECEDING DECEMBER THIRTY-FIRST, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN. Any such corporation, joint-stock company or association which ceases to be subject to the tax imposed by section one hundred eighty-four of this chapter by reason of a liquidation, dissolution, merger or consolidation with any other corporation, or any other cause, shall, on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require, make a written report to the [tax commission] COMMISSIONER of the amount of its gross earnings subject to the tax imposed by section one hundred eighty-four of this chapter for any period for which no report was theretofore filed. Any corporation, joint-stock company or association subject to a tax upon dividends under said section one hundred eighty-four of this chapter shall also include in its report under this subdivision required to be filed a statement of the author-

ized capital of the company, the amount of capital stock issued, and the amount of dividends of every nature paid during the year ended on the preceding December thirty-first. As to tax payers subject to such tax upon dividends under said section one hundred eighty-four of this chapter, the year ended on December thirty-first, nineteen hundred seventy-six shall be deemed, for the purposes of this subdivision, to have commenced on July first, nineteen hundred seventy-six.

S 7. Paragraph (a) of subdivision 1 of section 197-b of the tax law, as amended by section 1 of part G-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(a) For taxable years beginning on or after January first, nineteen hundred seventy-seven, every taxpayer subject to tax under section one hundred eighty-two, one hundred eighty-two-a, former section one hundred eighty-two-b, one hundred eighty-four, one hundred eighty-six-a or one hundred eighty-six-e of this article, must pay in each year an amount equal to (i) twenty-five percent of the tax imposed under each of such sections for the preceding taxable year if the preceding year's tax exceeded one thousand dollars but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax imposed under any of these sections for the preceding taxable year if the preceding year's tax exceeded one hundred thousand dollars. If the preceding year's tax under section one hundred eighty-four, one hundred eighty-six-a or one hundred eighty-six-e of this article exceeded one thousand dollars and the taxpayer is subject to the tax surcharge imposed by section one hundred eighty-four-a or one hundred eighty-six-c of this article, respectively, the taxpayer must also pay in each such year an amount equal to (i) twenty-five percent of the tax surcharge imposed under such section for the preceding taxable year if the preceding year's tax exceeded one thousand dollars but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed under that section for the preceding taxable year if the preceding year's tax exceeded one hundred thousand dollars. The amount or amounts must be paid with the return or report required to be filed with respect to the tax or tax surcharge for the preceding taxable year or with an application for extension of the time for filing the return or report, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND MUST BE PAID ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

S 8. Paragraph (a) of subdivision 1 of section 209 of the tax law, as amended by section 5 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(a) 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, or of deriving receipts from activity 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 business 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, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH YEAR, FOR TAXABLE YEARS

BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, 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, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF SUCH FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, and shall be paid as hereinafter provided.

S 9. Subdivision 1 of section 211 of the tax law, as amended by chapter 436 of the laws of 1974, the opening paragraph as amended by chapter 190 of the laws of 1990 and the second undesignated paragraph as amended by chapter 542 of the laws of 1985, is amended to read as follows:

1. Every taxpayer[, as well as every foreign corporation having an employee, including any officer, within the state,] shall annually on or before March fifteenth, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR BEFORE APRIL FIFTEENTH, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the [tax commission] COMMISSIONER a report in a form prescribed by [it] THE COMMISSIONER (except that a corporation which reports on the basis of a fiscal year shall transmit its report within two and one-half months after the close of its fiscal year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH AFTER THE CLOSE OF ITS FISCAL YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, and except, also, that a corporation which is a DISC shall transmit its report on or before the fifteenth day of the ninth month following the close of its calendar or fiscal year), setting forth such information as the [tax commission] COMMISSIONER may prescribe and every taxpayer which ceases to exercise its franchise or to be subject to the tax imposed by this article shall transmit to the [tax commission] COMMISSIONER a report on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require covering each year or period for which no report was theretofore filed. In the case of a termination year of an S corporation, the S short year and the C short year shall be treated as separate short taxable years, provided, however, the due date of the report for the S short year shall be the same as the due date of the report for the C short year. Every taxpayer shall also transmit such other reports and such facts and information as the [tax commission] COMMISSIONER may require in the administration of this article. The [tax commission] COMMISSIONER may grant a reasonable extension of time for filing reports whenever good cause exists.

An automatic extension of six months for the filing of its annual report shall be allowed any taxpayer if, within the time prescribed by the preceding paragraph, such taxpayer files with the [tax commission] COMMISSIONER an application for extension in such form as [said commission] THE COMMISSIONER may prescribe by regulation and pays on or before the date of such filing the amount properly estimated as its tax.

S 10. Subdivision (a) of section 213-b of the tax law, as amended by section 2 of part G-1 of chapter 57 of the laws of 2009, is amended to read as follows:

(a) First installments for certain taxpayers.--In privilege periods of twelve months ending at any time during the calendar year nineteen hundred seventy and thereafter, every taxpayer subject to the tax imposed by section two hundred nine of this chapter must pay with the report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, FOR

TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND MUST PAY ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH OF SUCH PRIVILEGE PERIODS, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, an amount equal to (i) twenty-five percent of the preceding year's tax if the preceding year's tax exceeded one thousand dollars but was equal to or less than one hundred thousand dollars, or (ii) forty percent of the preceding year's tax if the preceding year's tax exceeded one hundred thousand dollars. If the preceding year's tax under section two hundred nine of this chapter exceeded one thousand dollars and the taxpayer is subject to the tax surcharge imposed by section two hundred nine-B of this chapter, the taxpayer must also pay with the tax surcharge report required to be filed for the preceding privilege period, or with an application for extension of the time for filing the report, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND MUST PAY ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH OF SUCH PRIVILEGE PERIODS, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, an amount equal to (i) twenty-five percent of the tax surcharge imposed for the preceding year if the preceding year's tax was equal to or less than one hundred thousand dollars, or (ii) forty percent of the tax surcharge imposed for the preceding year if the preceding year's tax exceeded one hundred thousand dollars.

S 11. Subdivision (f) of section 213-b of the tax law, as amended by chapter 613 of the laws of 1976, is amended to read as follows:

(f) The preceding year's tax defined.-- As used in this section, "the preceding year's tax" means the tax imposed upon the taxpayer by section two hundred nine of this chapter for the preceding calendar or fiscal year, or, for purposes of computing the first installment of estimated tax when EITHER THE MANDATORY FIRST INSTALLMENT IS PAID PURSUANT TO SUBDIVISION (A) OF THIS SECTION OR an application has been filed for extension of the time for filing the report required to be filed for such preceding calendar or fiscal year, the amount properly estimated pursuant to section two hundred thirteen of this chapter as the tax imposed upon the taxpayer for such calendar or fiscal year.

S 12. Paragraph 1 of subsection (c) of section 658 of the tax law, as amended by chapter 760 of the laws of 1992, is amended to read as follows:

(1) Partnerships. Every partnership having a resident partner or having any income derived from New York sources, determined in accordance with the applicable rules of section six hundred thirty-one as in the case of a nonresident individual, shall make a return for the taxable year setting forth all items of income, gain, loss and deduction and such other pertinent information as the commissioner may by regulations and instructions prescribe. Such return shall be filed on or before the fifteenth day of the fourth month following the close of each taxable year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF EACH TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, except that the due date for the return of a partnership consisting entirely of nonresident aliens shall be the date prescribed for the filing of its federal partnership return for the taxable year. For purposes of this paragraph, "taxable year" means a year or a period which would be a taxable year of the partnership if it were subject to tax under this article.

S 13. Subparagraph (A) of paragraph 3 of subsection (c) of section 658 of the tax law, as amended by section 18 of part U of chapter 61 of the laws of 2011, is amended to read as follows:

(A) Every subchapter K limited liability company, every limited liability company that is a disregarded entity for federal income tax purposes, and every partnership which has any income derived from New York sources, determined in accordance with the applicable rules of section six hundred thirty-one of this article as in the case of a nonresident individual, shall[, within sixty days after the last day of the taxable year,] ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF EACH TAXABLE YEAR make a payment of a filing fee. The amount of the filing fee is the amount set forth in subparagraph (B) of this paragraph. The minimum filing fee is twenty-five dollars for taxable years beginning in two thousand eight and thereafter. Limited liability companies that are disregarded entities for federal income tax purposes must pay a filing fee of twenty-five dollars for taxable years beginning on or after January first, two thousand eight.

S 14. Subsection (i) of section 1087 of the tax law, as added by chapter 188 of the laws of 1964, is amended to read as follows:

(i) Prepaid tax.--For purposes of this section, any tax paid by the taxpayer before the last day prescribed for its payment (including any amount paid by the taxpayer as estimated tax for a taxable year) shall be deemed to have been paid by it on the fifteenth day of the third month following the close of the taxable year the income of which is the basis for tax under article nine-a, [nine-b or nine-c,] or on the last day prescribed in article nine for the filing of a final return for such taxable year, or portion thereof, determined in all cases without regard to any extension of time granted the taxpayer, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE TAXABLE YEAR THE INCOME OF WHICH IS THE BASIS FOR TAX UNDER ARTICLE NINE-A, OR ON THE LAST DAY PRESCRIBED IN ARTICLE NINE FOR THE FILING OF A FINAL RETURN FOR SUCH TAXABLE YEAR, OR PORTION THEREOF, DETERMINED IN ALL CASES WITHOUT REGARD TO ANY EXTENSION OF TIME GRANTED THE TAXPAYER, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

S 15. Paragraph 3 of subdivision (a) of section 1514 of the tax law, as amended by section 89 of part A of chapter 389 of the laws of 1997, is amended to read as follows:

(3) Such amount or amounts described in paragraphs one and two of this subdivision shall be paid with the return required to be filed with respect to such tax or tax surcharge for such preceding taxable year or with an application for extension of the time for filing such return, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND SHALL BE PAID ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH OF EACH TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN.

S 16. Subdivision (f) of section 1514 of the tax law, as amended by section 26 of part H3 of chapter 62 of the laws of 2003, is amended to read as follows:

(f) The preceding year's tax defined. As used in this section, "the preceding year's tax" means, for taxpayers subject to tax under subdivision (b) of section fifteen hundred ten of this article, the taxes imposed upon the taxpayer by sections fifteen hundred one and fifteen hundred ten of this article from the preceding taxable year or as otherwise determined by subdivision (b) of section fifteen hundred five of this article, and for taxpayers subject to tax under section fifteen

hundred two-a of this article, the tax imposed upon the taxpayer by such section fifteen hundred two-a of this article from the preceding year, or for purposes of computing the first installment of estimated tax when EITHER THE MANDATORY FIRST INSTALLMENT IS PAID PURSUANT TO SUBDIVISION (A) OF THIS SECTION OR an application has been filed for extension of the time for filing the return required to be filed for such preceding taxable year, the amount properly estimated pursuant to paragraph one of subdivision (b) of section fifteen hundred sixteen of this article as the tax imposed upon the taxpayer for such taxable year.

S 17. Subdivision (a) of section 1515 of the tax law, as added by section 649 of the laws of 1974 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

(a) Every taxpayer and every other foreign and alien insurance corporation having an employee, including any officer, in this state or having an agent or representative in this state, shall annually, on or before the fifteenth day of the third month following the close of its taxable year, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF ITS TAXABLE YEAR, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the [tax commission] COMMISSIONER a return in a form prescribed by [it] THE COMMISSIONER setting forth such information as the [tax commission] COMMISSIONER may prescribe and every taxpayer which ceases to exercise its franchise or to be subject to the tax imposed by this article shall transmit to the [tax commission] COMMISSIONER a return on the date of such cessation or at such other time as the [tax commission] COMMISSIONER may require covering each year or period for which no return was theretofore filed. A copy of each return required under this subdivision shall also be transmitted to the superintendent of financial services at or before the times specified for filing such returns with the [tax commission] COMMISSIONER.

S 18. Subdivisions (a) and (b) of section 11-514 of the administrative code of the city of New York, subdivision (a) as amended by chapter 183 of the laws of 2009, are amended to read as follows:

(a) General. [On or before the fifteenth day of the fourth month following the close of a taxable year, an] AN unincorporated business income tax return shall be made and filed, and the balance of any tax shown on the face of such return, not previously paid as installments of estimated tax, shall be paid, ON OR BEFORE THE FIFTEENTH DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF A TAXABLE YEAR FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ON OR BEFORE THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF A TAXABLE YEAR FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN:

(1) by or for every unincorporated business, for taxable years beginning after nineteen hundred eighty-six but before nineteen hundred ninety-seven, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ten thousand dollars, or having any amount of unincorporated business taxable income;

(2) by or for every partnership, for taxable years beginning after nineteen hundred ninety-six but before two thousand nine, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than twenty-five thousand dollars, or having unincorporated business taxable income of more than fifteen thousand dollars;

(3) by or for every unincorporated business other than a partnership, for taxable years beginning after nineteen hundred ninety-six but before two thousand nine, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than seventy-five thousand dollars, or having unincorporated business taxable income of more than thirty-five thousand dollars; and

(4) by or for every unincorporated business, for taxable years beginning after two thousand eight, having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ninety-five thousand dollars.

(b) Decedents. The return for any deceased individual shall be made and filed by his or her executor, administrator, or other person charged with his or her property. If a final return of a decedent is for a fractional part of a year, the due date of such return shall be, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, the fifteenth day of the fourth month following the close of the twelve-month period [which] THAT began with the first day of such fractional part of the year, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF THE TWELVE-MONTH PERIOD THAT BEGAN WITH THE FIRST DAY OF SUCH FRACTIONAL PART OF THE YEAR.

S 19. Subdivision (i) of section 11-527 of the administrative code of the city of New York is amended to read as follows:

(i) Prepaid tax. For purposes of this section, any tax paid by the taxpayer before the last day prescribed for its payment and any amount paid by the taxpayer as estimated tax for a taxable year shall be deemed to have been paid by the taxpayer, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on the fifteenth day of the fourth month following the close of his or her taxable year with respect to which such amount constitutes a credit or payment, AND, FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON THE FIFTEENTH DAY OF THE THIRD MONTH FOLLOWING THE CLOSE OF HIS OR HER TAXABLE YEAR WITH RESPECT TO WHICH SUCH AMOUNT CONSTITUTES A CREDIT OR PAYMENT.

S 20. Paragraph (a) of subdivision 1 of section 11-653 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

(a) For the privilege of doing business, or of employing capital, or of owning or leasing property in the city in a corporate or organized capacity, or of maintaining an office in the city, 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 tax, upon the basis of its business income, 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] THAT shall be filed, except as hereinafter provided, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, on or before the fifteenth day of March next succeeding the close of each such CALENDAR year, or, in the case of a taxpayer [which] THAT reports on the basis of a fiscal year, within two and one-half months after the close of EACH such fiscal year, AND FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, ON OR BEFORE THE FIFTEENTH DAY OF APRIL NEXT SUCCEEDING THE CLOSE OF EACH SUCH CALENDAR YEAR, OR, IN THE CASE OF A TAXPAYER THAT REPORTS ON THE BASIS OF A FISCAL YEAR, WITHIN

THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF EACH SUCH FISCAL YEAR, and shall be paid as hereinafter provided.

S 21. Subdivision 1 of section 11-655 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

1. Every corporation having an officer, agent or representative within the city, shall, annually on or before March fifteenth FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, AND ANNUALLY ON OR BEFORE APRIL FIFTEENTH FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, transmit to the commissioner of finance a report, in a form prescribed by the commissioner of finance [(except that a corporation which reports on the basis of a fiscal year shall transmit its report within two and one-half months after the close of its fiscal year)], setting forth such information as the commissioner of finance may prescribe, [and every] EXCEPT THAT A CORPORATION THAT REPORTS ON THE BASIS OF A FISCAL YEAR SHALL TRANSMIT SUCH REPORT, FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR, AND, FOR TAXABLE YEARS BEGINNING AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, WITHIN THREE AND ONE-HALF MONTHS AFTER THE CLOSE OF ITS FISCAL YEAR. EVERY taxpayer [which] THAT ceases to do business in the city or to be subject to the tax imposed by this subchapter shall transmit to the commissioner of finance a report on the date of such cessation or at such other time as the commissioner of finance may require covering each year or period for which no report was theretofore filed. Every taxpayer shall also transmit such other reports and such facts and information as the commissioner of finance may require in the administration of this subchapter. The commissioner of finance may grant a reasonable extension of time for filing reports whenever good cause exists.

An automatic extension of six months for the filing of its annual report shall be allowed any taxpayer if, within the time prescribed by the preceding paragraph, whichever is applicable, such taxpayer files with the commissioner of finance an application for extension in such form as the commissioner of finance may prescribe by regulation and pays on or before the date of such filing the amount properly estimated as its tax.

S 22. Subdivision 1 of section 11-658 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

1. [Every] FOR TAXABLE YEARS BEGINNING BEFORE JANUARY FIRST, TWO THOUSAND SIXTEEN, EVERY taxpayer subject to the tax imposed by section 11-653 of this subchapter shall pay with the report required to be filed for the preceding privilege period, if any, or with an application for extension of the time and filing such report, an amount equal to twenty-five per centum of the preceding year's tax if such preceding year's tax exceeded one thousand dollars. FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN, SUCH AMOUNT SHALL BE PAID ON OR BEFORE THE FIFTEENTH DAY OF MARCH NEXT SUCCEEDING THE CLOSE OF EACH SUCH CALENDAR YEAR, OR, IN THE CASE OF A TAXPAYER THAT REPORTS ON THE BASIS OF A FISCAL YEAR, WITHIN TWO AND ONE-HALF MONTHS AFTER THE CLOSE OF EACH SUCH FISCAL YEAR.

S 23. Subdivision 6 of section 11-658 of the administrative code of the city of New York, as added by section 1 of part D of chapter 60 of the laws of 2015, is amended to read as follows:

6. As used in this section, "the preceding year's tax" means the tax imposed upon the taxpayer by section 11-653 of this subchapter for the

preceding calendar or fiscal year, or, for purposes of computing the first installment of estimated tax when EITHER THE MANDATORY FIRST INSTALLMENT IS PAID PURSUANT TO SUBDIVISION ONE OF THIS SECTION OR an application has been filed for extension of the time for filing the report required to be filed for such preceding calendar or fiscal year, the amount properly estimated pursuant to section 11-657 of this subchapter as the tax imposed upon the taxpayer for such calendar or fiscal year.

S 24. This act shall take effect immediately provided, however, that section five of this act shall take effect on the same date and in the same manner as section 26 of part S of chapter 59 of the laws of 2014, takes effect, and that section five of this act shall apply to taxable years beginning on or after January 1, 2018 and that section thirteen of this act shall apply to taxable years beginning on or after January 1, 2016.

PART R

Section 1. Subparagraph (iv) of paragraph (a) of subdivision 1 of section 210 of the tax law, as amended by section 12 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(iv) (A) for taxable years beginning before January first, two thousand sixteen, if the business income base is not more than two hundred ninety thousand dollars the amount shall be six and one-half percent of the business income base; if the business income base is more than two hundred ninety thousand dollars but not over three hundred ninety thousand dollars the amount shall be the sum of (1) eighteen thousand eight hundred fifty dollars, (2) seven and one-tenth percent of the excess of the business income base over two hundred ninety thousand dollars but not over three hundred ninety thousand dollars and (3) four and thirty-five hundredths percent of the excess of the business income base over three hundred fifty thousand dollars but not over three hundred ninety thousand dollars;

(B) FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SEVENTEEN, IF THE BUSINESS INCOME BASE IS NOT MORE THAN TWO HUNDRED NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE FOUR PERCENT OF THE BUSINESS INCOME BASE; IF THE BUSINESS INCOME BASE IS MORE THAN TWO HUNDRED NINETY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS THE AMOUNT SHALL BE THE SUM OF (1) ELEVEN THOUSAND SIX HUNDRED DOLLARS, (2) SIX AND ONE-HALF PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER TWO HUNDRED NINETY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS AND (3) EIGHTEEN AND THIRTEEN HUNDREDTHS PERCENT OF THE EXCESS OF THE BUSINESS INCOME BASE OVER THREE HUNDRED FIFTY THOUSAND DOLLARS BUT NOT OVER THREE HUNDRED NINETY THOUSAND DOLLARS;

S 2. Paragraph 39 of subsection (c) of section 612 of the tax law, as added by section 1 of part Y of chapter 59 of the laws of 2013, is amended to read as follows:

(39) (A) In the case of a taxpayer who is a small business OR A TAXPAYER WHO IS A MEMBER, PARTNER, OR SHAREHOLDER OF A LIMITED LIABILITY COMPANY, PARTNERSHIP, OR NEW YORK S CORPORATION, RESPECTIVELY, THAT IS A SMALL BUSINESS, who OR WHICH has business income and/or farm income as defined in the laws of the United States, an amount equal to [three] FIFTEEN percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero[, for taxable years beginning after two thousand thirteen, an amount equal to three and three-quarters

percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fourteen, and an amount equal to five percent of the net items of income, gain, loss and deduction attributable to such business or farm entering into federal adjusted gross income, but not less than zero, for taxable years beginning after two thousand fifteen].

(B) (I) For the purposes of this paragraph, the term small business shall mean: (I) a sole proprietor [or a farm business] who employs one or more persons during the taxable year and who has net business income or net farm income of less than two hundred fifty thousand dollars; OR (II) A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION THAT DURING THE TAXABLE YEAR EMPLOYS ONE OR MORE PERSONS AND HAS NEW YORK GROSS BUSINESS INCOME ATTRIBUTABLE TO A NON-FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN ONE MILLION FIVE HUNDRED THOUSAND DOLLARS OR NET FARM INCOME ATTRIBUTABLE TO A FARM BUSINESS THAT IS GREATER THAN ZERO BUT LESS THAN TWO HUNDRED FIFTY THOUSAND DOLLARS.

(II) FOR PURPOSES OF THIS PARAGRAPH, THE TERM NEW YORK GROSS BUSINESS INCOME SHALL MEAN: (I) IN THE CASE OF A LIMITED LIABILITY COMPANY OR A PARTNERSHIP NEW YORK SOURCE GROSS INCOME AS DEFINED IN SUBPARAGRAPH (B) OF PARAGRAPH THREE OF SUBSECTION (C) OF SECTION SIX HUNDRED FIFTY-EIGHT OF THIS ARTICLE, AND, (II) IN THE CASE OF A NEW YORK S CORPORATION, NEW YORK RECEIPTS INCLUDED IN THE NUMERATOR OF THE APPORTIONMENT FACTOR DETERMINED UNDER SECTION TWO HUNDRED TEN-A OF THIS CHAPTER FOR THE TAXABLE YEAR.

(C) TO QUALIFY FOR THIS MODIFICATION IN RELATION TO A SMALL BUSINESS THAT IS A LIMITED LIABILITY COMPANY, PARTNERSHIP OR NEW YORK S CORPORATION, THE TAXPAYER'S INCOME ATTRIBUTABLE TO THE NET BUSINESS INCOME AND/OR NET FARM INCOME FROM ITS OWNERSHIP INTERESTS IN LIMITED LIABILITY COMPANIES, PARTNERSHIPS OR NEW YORK S CORPORATIONS MUST BE LESS THAN TWO HUNDRED FIFTY THOUSAND DOLLARS.

S 3. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2017.

PART S

Section 1. This act shall be known and may be cited as the "parental choice in education act".

S 2. The education law is amended by adding a new article 25 to read as follows:

ARTICLE 25
EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT

SECTION 1209. SHORT TITLE.
1210. DEFINITIONS.
1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1213. APPLICATION APPROVAL FOR CERTIFICATES OF RECEIPT.
1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT.
1215. REPORTING AND RECORDKEEPING.
1216. JOINT ANNUAL REPORT.
1217. COMMISSIONER; POWERS.

S 1209. SHORT TITLE. THIS ARTICLE SHALL BE KNOWN AND MAY BE CITED AS THE "EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT".

S 1210. DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE FOLLOWING MEANINGS:

1. "AUTHORIZED CONTRIBUTION" MEANS THE CONTRIBUTION AMOUNT THAT IS LISTED ON THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO A TAXPAYER.

2. "CONTRIBUTION" MEANS A DONATION PAID BY CASH, CHECK, ELECTRONIC FUNDS TRANSFER, DEBIT CARD OR CREDIT CARD THAT IS MADE BY A TAXPAYER DURING THE TAXABLE YEAR.

3. "EDUCATIONAL PROGRAM" MEANS AN ACADEMIC OR SIMILAR PROGRAM OF A PUBLIC SCHOOL THAT ENHANCES THE CURRICULUM OR ACADEMIC PROGRAM OF THE PUBLIC SCHOOL, OR PROVIDES A PRE-KINDERGARTEN PROGRAM TO A PUBLIC SCHOOL. FOR PURPOSES OF THIS DEFINITION, THE INSTRUCTION, MATERIALS, PROGRAMS AND OTHER ACTIVITIES OFFERED BY OR THROUGH AN EDUCATIONAL PROGRAM MAY INCLUDE, BUT ARE NOT LIMITED TO, THE FOLLOWING FEATURES: (A) INSTRUCTION OR MATERIALS PROMOTING HEALTH, PHYSICAL EDUCATION, AND FAMILY AND CONSUMER SCIENCES; LITERARY, PERFORMING AND VISUAL ARTS; MATHEMATICS, SOCIAL STUDIES, TECHNOLOGY AND SCIENTIFIC ACHIEVEMENT; (B) INSTRUCTION OR PROGRAMMING TO MEET THE EDUCATION NEEDS OF AT-RISK STUDENTS OR STUDENTS WITH DISABILITIES, INCLUDING TUTORING OR COUNSELING; OR (C) THE USE OF SPECIALIZED INSTRUCTIONAL MATERIALS, INSTRUCTORS OR INSTRUCTION NOT PROVIDED BY A PUBLIC SCHOOL.

4. "EDUCATIONAL SCHOLARSHIP ORGANIZATION" MEANS AN ENTITY THAT:

(A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE; (B) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH YEAR FOR SCHOLARSHIPS; (C) PROVIDES MORE THAN FIFTY PERCENT OF ITS SCHOLARSHIPS DURING A CALENDAR YEAR TO ELIGIBLE PUPILS WHO RESIDE IN A HOUSEHOLD THAT HAS AN INCOME NOT TO EXCEED ONE HUNDRED FIFTY PERCENT OF THE INCOME QUALIFICATION REQUIRED FOR THE REDUCED PRICE SCHOOL LUNCHES UNDER THE NATIONAL SCHOOL LUNCH ACT, PROVIDED HOWEVER FOR THE PURPOSES OF AN EDUCATIONAL SCHOLARSHIP ORGANIZATION FULFILLING SUCH REQUIREMENT, AN EDUCATIONAL SCHOLARSHIP ORGANIZATION MAY ENTER INTO AN AGREEMENT WITH ANOTHER EDUCATIONAL SCHOLARSHIP ORGANIZATION OR ORGANIZATIONS TO JOINTLY REPORT THEIR SCHOLARSHIP INFORMATION TO MEET SUCH REQUIREMENT; (D) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE; (E) PROVIDES SCHOLARSHIPS TO ELIGIBLE PUPILS FOR USE AT NOT FEWER THAN THREE QUALIFIED SCHOOLS; AND (F) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

5. "ELIGIBLE PUPIL" MEANS A CHILD WHO IS: (A) A RESIDENT OF THIS STATE; (B) OF SCHOOL AGE IN ACCORDANCE WITH SUBDIVISION ONE OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER OR WHO IS FOUR YEARS OF AGE ON OR BEFORE DECEMBER FIRST OF THE YEAR IN WHICH SUCH CHILD IS ENROLLED IN A PRE-KINDERGARTEN PROGRAM; (C) ATTENDS OR IS ABOUT TO ATTEND A QUALIFIED SCHOOL; AND (D) RESIDES IN A HOUSEHOLD THAT HAS A FEDERAL ADJUSTED GROSS INCOME OF TWO HUNDRED FIFTY THOUSAND DOLLARS OR LESS, PROVIDED HOWEVER, FOR HOUSEHOLDS WITH THREE OR MORE DEPENDENT CHILDREN, SUCH INCOME LEVEL SHALL BE INCREASED BY TEN THOUSAND DOLLARS PER DEPENDENT CHILD, NOT TO EXCEED THREE HUNDRED THOUSAND DOLLARS.

6. "LOCAL EDUCATION FUND" MEANS A NOT-FOR-PROFIT ENTITY THAT: (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE; (B) IS ESTABLISHED FOR THE PURPOSE OF SUPPORTING AT LEAST ONE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT LOCATED IN THIS STATE; (C) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO SUPPORT THE

PUBLIC SCHOOL OR SCHOOLS OR PUBLIC SCHOOL DISTRICT OR DISTRICTS THAT SUCH FUND HAS BEEN ESTABLISHED TO SUPPORT; (D) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE FUND'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE; AND (E) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

7. "NON-PUBLIC SCHOOL" MEANS ANY NOT-FOR-PROFIT PRE-KINDERGARTEN PROGRAM, ELEMENTARY, OR SECONDARY SECTARIAN OR NONSECTARIAN SCHOOL LOCATED IN THIS STATE, OTHER THAN A PUBLIC SCHOOL, THAT PROVIDES INSTRUCTION AT ONE OR MORE LOCATIONS TO AN ELIGIBLE PUPIL IN ACCORDANCE WITH SECTION THIRTY-TWO HUNDRED FOUR OF THIS CHAPTER.

8. "PUBLIC EDUCATION ENTITY" MEANS A PUBLIC SCHOOL DISTRICT OR A PUBLIC SCHOOL IN THIS STATE, PROVIDED THAT SUCH PUBLIC SCHOOL DISTRICT OR PUBLIC SCHOOL: (A) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM SUCH QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE; AND (B) IS APPROVED TO RECEIVE AUTHORIZED CONTRIBUTIONS AND ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE.

9. "PUBLIC SCHOOL" MEANS ANY FREE ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE PURSUANT TO ARTICLE ELEVEN OF THE CONSTITUTION, BUT SHALL NOT INCLUDE A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THIS CHAPTER.

10. "QUALIFIED CONTRIBUTION" MEANS THE AUTHORIZED CONTRIBUTION MADE BY A TAXPAYER TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION LISTED IN THE CONTRIBUTION AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER FOR WHICH THE TAXPAYER HAS RECEIVED A CERTIFICATE OF RECEIPT FROM SUCH ENTITY, FUND OR ORGANIZATION. A CONTRIBUTION DOES NOT QUALIFY IF THE TAXPAYER DESIGNATES THE TAXPAYER'S CONTRIBUTION TO AN ENTITY OR ORGANIZATION FOR THE DIRECT BENEFIT OF ANY PARTICULAR OR SPECIFIED STUDENT.

11. "QUALIFIED SCHOOL" MEANS A PUBLIC SCHOOL OR NON-PUBLIC SCHOOL LOCATED IN THIS STATE.

12. "SCHOLARSHIP" MEANS AN EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED TO AN ELIGIBLE PUPIL TO ATTEND A QUALIFIED SCHOOL IN AN AMOUNT NOT TO EXCEED THE TUITION CHARGED TO ATTEND SUCH SCHOOL LESS ANY OTHER EDUCATIONAL SCHOLARSHIP OR TUITION GRANT RECEIVED BY SUCH ELIGIBLE PUPIL OR HIS OR HER PARENT, PARENTS, LEGAL GUARDIAN, OR LEGAL GUARDIANS FOR SUCH ELIGIBLE PUPIL'S TUITION; PROVIDED, HOWEVER, IN THE CASE OF AN ELIGIBLE PUPIL ATTENDING A PUBLIC SCHOOL OF A DISTRICT OF WHICH SUCH PUPIL IS NOT A RESIDENT, THE AMOUNT OF THE EDUCATIONAL SCHOLARSHIP OR TUITION GRANT AWARDED MAY NOT EXCEED THE TUITION CHARGED BY THE PUBLIC SCHOOL PURSUANT TO PARAGRAPH D OF SUBDIVISION FOUR OF SECTION THIRTY-TWO HUNDRED TWO OF THIS CHAPTER, BUT ONLY IF THE SCHOOL DISTRICT OF WHICH SUCH PUPIL IS A RESIDENT IS NOT REQUIRED TO PAY FOR SUCH TUITION.

13. "SCHOOL IMPROVEMENT ORGANIZATION" MEANS A NOT-FOR-PROFIT ENTITY THAT: (A) IS EXEMPT FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE; (B) USES AT LEAST NINETY PERCENT OF THE QUALIFIED CONTRIBUTIONS RECEIVED DURING THE CALENDAR YEAR AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS DURING SUCH MONTHS TO ASSIST PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE IN THEIR PROVISION OF EDUCATIONAL PROGRAMS, EITHER BY MAKING CONTRIBUTIONS TO ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE OR PROVIDING EDUCATIONAL PROGRAMS TO, OR

IN CONJUNCTION WITH, ONE OR MORE PUBLIC SCHOOLS OR PUBLIC SCHOOL DISTRICTS LOCATED IN THIS STATE; (C) DEPOSITS AND HOLDS QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE ORGANIZATION'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE; AND (D) IS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. SUCH TERM INCLUDES A PRE-KINDERGARTEN PROGRAM OR NOT-FOR-PROFIT ENTITY THAT ALLOWS THE TAXPAYER TO CHOOSE TO DONATE TO A PROGRAM PROJECT OR INITIATIVE FOR USE IN A PUBLIC SCHOOL.

S 1211. APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. 1. PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS. ALL PUBLIC SCHOOLS AND PUBLIC SCHOOL DISTRICTS SHALL BE APPROVED TO ISSUE CERTIFICATES OF RECEIPT FOR QUALIFIED CONTRIBUTIONS IN ACCORDANCE WITH SECTION FORTY-TWO OF THE TAX LAW, PROVIDED, HOWEVER, THAT SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT SHALL NOT BE APPROVED IF EITHER: (A) SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT FAILS TO DEPOSIT AND HOLD QUALIFIED CONTRIBUTIONS AND ANY INCOME DERIVED FROM QUALIFIED CONTRIBUTIONS IN AN ACCOUNT THAT IS SEPARATE FROM THE SCHOOL OR SCHOOL DISTRICT'S OPERATING OR OTHER FUNDS UNTIL SUCH QUALIFIED CONTRIBUTIONS OR INCOME ARE WITHDRAWN FOR USE; OR (B) THE COMMISSIONER HAS REVOKED SUCH APPROVAL FOR SUCH PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT PURSUANT TO SECTION TWELVE HUNDRED FOURTEEN OF THIS ARTICLE.

2. SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS. NO SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION OR LOCAL EDUCATION FUND SHALL ISSUE ANY CERTIFICATES OF RECEIPT WITHOUT FILING AN APPLICATION PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND RECEIVING APPROVAL PURSUANT TO SECTION TWELVE HUNDRED THIRTEEN OF THIS ARTICLE.

S 1212. APPLICATIONS FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. EACH SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION AND LOCAL EDUCATION FUND SHALL SUBMIT AN APPLICATION TO THE COMMISSIONER FOR APPROVAL TO ISSUE CERTIFICATES OF RECEIPT IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER, PROVIDED THAT SUCH APPLICATION SHALL INCLUDE: (A) SUBMISSION OF DOCUMENTATION THAT SUCH SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN GRANTED EXEMPTION FROM TAXATION UNDER PARAGRAPH THREE OF SUBSECTION (C) OF SECTION FIVE HUNDRED ONE OF THE INTERNAL REVENUE CODE; (B) A LIST OF NAMES AND ADDRESSES OF ALL MEMBERS OF THE GOVERNING BOARD OF THE SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION; AND (C) FOR AN EDUCATIONAL SCHOLARSHIP ORGANIZATION, SUBMISSION OF CRITERIA FOR THE AWARDING OF SCHOLARSHIPS TO ELIGIBLE STUDENTS.

S 1213. APPLICATION APPROVAL FOR CERTIFICATES OF RECEIPT. 1. IN GENERAL. THE COMMISSIONER SHALL REVIEW EACH APPLICATION TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO THIS ARTICLE. THE COMMISSIONER SHALL PUBLISH CRITERIA USED TO DETERMINE SELECTION AND ESTABLISH AN APPEALS PROCESS FOR APPLICATIONS THAT ARE NOT APPROVED.

2. NOTIFICATION. APPLICANTS SHALL BE NOTIFIED OF THE COMMISSIONER'S DETERMINATION WITHIN FIVE BUSINESS DAYS OF THE DETERMINATION.

S 1214. REVOCATION OF APPROVAL TO ISSUE CERTIFICATES OF RECEIPT. THE COMMISSIONER, IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND FINANCE, MAY REVOKE THE APPROVAL OF A SCHOOL IMPROVEMENT ORGANIZATION, EDUCATIONAL SCHOLARSHIP ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL OR PUBLIC SCHOOL DISTRICT TO ISSUE CERTIFICATES OF RECEIPT UPON A FINDING THAT SUCH ORGANIZATION, FUND, SCHOOL OR SCHOOL DISTRICT HAS VIOLATED THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW. THESE

VIOLATIONS SHALL INCLUDE, BUT NOT BE LIMITED TO, ANY OF THE FOLLOWING: (A) FAILURE TO MEET THE REQUIREMENTS OF THIS ARTICLE OR SECTION FORTY-TWO OF THE TAX LAW; (B) THE FAILURE TO MAINTAIN FULL AND ADEQUATE RECORDS WITH RESPECT TO THE RECEIPT OF QUALIFIED CONTRIBUTIONS; (C) THE FAILURE TO SUPPLY SUCH RECORDS TO THE COMMISSIONER, THE DEPARTMENT, OR THE DEPARTMENT OF TAXATION AND FINANCE WHEN REQUESTED; OR (D) THE FAILURE TO PROVIDE NOTICE TO THE DEPARTMENT OF TAXATION AND FINANCE OF THE ISSUANCE OR NON-ISSUANCE OF CERTIFICATES OF RECEIPT PURSUANT TO SECTION FORTY-TWO OF THE TAX LAW; PROVIDED, HOWEVER, THAT THE COMMISSIONER SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION BASED UPON A VIOLATION OF THE TAX LAW UNLESS THE COMMISSIONER OF TAXATION AND FINANCE AGREES THAT REVOCATION IS WARRANTED; AND PROVIDED FURTHER THAT THE COMMISSIONER SHALL NOT REVOKE APPROVAL PURSUANT TO THIS SECTION WHEN THE FAILURE TO COMPLY IS DUE TO CLERICAL ERROR AND NOT NEGLIGENCE OR INTENTIONAL DISREGARD FOR THE LAW. WITHIN FIVE DAYS OF THE DETERMINATION REVOKING APPROVAL, THE COMMISSIONER SHALL PROVIDE NOTICE OF SUCH REVOCATION TO THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL, OR PUBLIC SCHOOL DISTRICT AND TO THE DEPARTMENT OF TAXATION AND FINANCE. THE COMMISSIONER SHALL ESTABLISH AN APPEALS PROCESS FOR DETERMINATIONS REVOKING APPROVALS.

S 1215. REPORTING AND RECORDKEEPING. 1. REPORTING. EACH EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT RECEIVES QUALIFIED CONTRIBUTIONS SHALL REPORT TO THE COMMISSIONER AND THE DEPARTMENT OF TAXATION AND FINANCE BY JANUARY THIRTY-FIRST OF EACH CALENDAR YEAR. SUCH REPORT SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE COMMISSIONER IN CONSULTATION WITH THE COMMISSIONER OF TAXATION AND FINANCE.

2. RECORDKEEPING. EACH EDUCATIONAL SCHOLARSHIP ORGANIZATION, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, PUBLIC SCHOOL AND PUBLIC SCHOOL DISTRICT THAT ISSUED AT LEAST ONE CERTIFICATE OF RECEIPT SHALL MAINTAIN RECORDS INCLUDING: (A) NOTIFICATIONS RECEIVED FROM THE DEPARTMENT OF TAXATION AND FINANCE; (B) NOTIFICATIONS MADE TO THE DEPARTMENT OF TAXATION AND FINANCE; (C) COPIES OF QUALIFIED CONTRIBUTIONS RECEIVED; (D) COPIES OF THE DEPOSIT OF SUCH QUALIFIED CONTRIBUTIONS; (E) COPIES OF ISSUED CERTIFICATES OF RECEIPT; (F) ANNUAL FINANCIAL STATEMENTS; (G) IN THE CASE OF SCHOOL IMPROVEMENT ORGANIZATIONS, EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AND LOCAL EDUCATION FUNDS, THE APPLICATION SUBMITTED PURSUANT TO SECTION TWELVE HUNDRED TWELVE OF THIS ARTICLE AND THE APPROVAL ISSUED BY THE COMMISSIONER; AND (H) ANY OTHER INFORMATION PRESCRIBED BY THE COMMISSIONER. SUCH RECORDS SHALL BE MAINTAINED BY THE ENTITY OR ORGANIZATION FOR FIVE YEARS.

S 1216. JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF MAY FOR EACH CALENDAR YEAR, THE COMMISSIONER OF TAXATION AND FINANCE AND THE COMMISSIONER, JOINTLY, SHALL SUBMIT A WRITTEN REPORT AS PROVIDED IN SUBDIVISION (K) OF SECTION FORTY-TWO OF THE TAX LAW.

S 1217. COMMISSIONER; POWERS. THE COMMISSIONER SHALL PROMULGATE ON AN EMERGENCY BASIS REGULATIONS NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. THE COMMISSIONER SHALL MAKE ANY FORMS REQUIRED TO BE FILED PURSUANT TO THIS ARTICLE AVAILABLE TO APPLICANTS WITHIN SIXTY DAYS OF THE EFFECTIVE DATE OF THIS ARTICLE.

S 3. The education law is amended by adding a new section 1503-a to read as follows:

S 1503-A. POWER TO ACCEPT AND SOLICIT GIFTS AND DONATIONS. 1. THE TRUSTEES OR BOARDS OF EDUCATION OF ALL SCHOOL DISTRICTS ORGANIZED BY SPECIAL LAWS OR PURSUANT TO THE PROVISIONS OF A GENERAL LAW ARE HEREBY

AUTHORIZED AND EMPOWERED TO ACCEPT GIFTS, DONATIONS, AND CONTRIBUTIONS TO THE DISTRICT AND TO SOLICIT THE SAME.

2. NOTWITHSTANDING ANY OTHER PROVISION OF THIS CHAPTER OR OF ANY OTHER GENERAL OR SPECIAL LAW TO THE CONTRARY, THE RECEIPT OF SUCH GIFTS, DONATIONS AND CONTRIBUTIONS MADE PURSUANT TO ARTICLE TWENTY-FIVE OF THIS CHAPTER, AND ANY INCOME DERIVED THEREFROM, SHALL BE DISREGARDED FOR THE PURPOSES OF ALL APPORTIONMENTS, COMPUTATIONS, AND DETERMINATIONS OF STATE AID.

S 4. The tax law is amended by adding a new section 42 to read as follows:

S 42. EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT. (A) DEFINITIONS. FOR THE PURPOSES OF THIS SECTION, THE FOLLOWING TERMS SHALL HAVE THE SAME MEANINGS AS PROVIDED IN SECTION TWELVE HUNDRED TEN OF THE EDUCATION LAW: "AUTHORIZED CONTRIBUTION", "CONTRIBUTION", "EDUCATIONAL PROGRAM", "EDUCATIONAL SCHOLARSHIP ORGANIZATION", "ELIGIBLE PUPIL", "LOCAL EDUCATION FUND", "NON-PUBLIC SCHOOL", "PUBLIC EDUCATION ENTITY", "PUBLIC SCHOOL", "QUALIFIED CONTRIBUTION", "QUALIFIED SCHOOL", "SCHOLARSHIP", AND "SCHOOL IMPROVEMENT ORGANIZATION".

(B) ALLOWANCE OF CREDIT. A TAXPAYER SUBJECT TO TAX UNDER ARTICLE NINE-A OR TWENTY-TWO OF THIS CHAPTER SHALL BE ALLOWED AN EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT AGAINST SUCH TAX, PURSUANT TO THE PROVISIONS REFERENCED IN SUBDIVISION (1) OF THIS SECTION, WITH RESPECT TO QUALIFIED CONTRIBUTIONS MADE DURING THE TAXABLE YEAR.

(C) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE THE LESSER OF SEVENTY-FIVE PER CENT OF THE TAXPAYER'S TOTAL QUALIFIED CONTRIBUTIONS OR ONE MILLION DOLLARS. 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 ONE MILLION DOLLARS.

(D) INFORMATION TO BE POSTED ON THE DEPARTMENT'S WEBSITE. BEGINNING ON THE SIXTEENTH DAY OF JANUARY OF EACH YEAR, THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A RUNNING TOTAL OF THE AMOUNT OF AVAILABLE CREDIT FOR WHICH TAXPAYERS MAY APPLY PURSUANT TO THIS SECTION. ADDITIONALLY, THE COMMISSIONER SHALL MAINTAIN ON THE DEPARTMENT'S WEBSITE A LIST OF THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. THE COMMISSIONER SHALL ALSO MAINTAIN ON THE DEPARTMENT'S WEBSITE A LIST OF PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS WHOSE APPROVAL TO ISSUE CERTIFICATES OF RECEIPT HAS BEEN REVOKED, ALONG WITH THE DATE OF SUCH REVOCATION.

(E) APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES. PRIOR TO MAKING A CONTRIBUTION TO A PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION, THE TAXPAYER SHALL APPLY TO THE DEPARTMENT FOR A CONTRIBUTION AUTHORIZATION CERTIFICATE FOR SUCH CONTRIBUTION. SUCH APPLICATION SHALL BE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT. THE DEPARTMENT MAY ALLOW TAXPAYERS TO MAKE MULTIPLE APPLICATIONS ON THE SAME FORM, PROVIDED THAT EACH CONTRIBUTION LISTED ON SUCH APPLICATION SHALL BE TREATED AS A SEPARATE APPLICATION AND THAT THE DEPARTMENT SHALL ISSUE SEPARATE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR EACH SUCH APPLICATION.

(F) CONTRIBUTION AUTHORIZATION CERTIFICATES. 1. ISSUANCE OF CERTIFICATES. THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIF-

ICATES IN TWO PHASES. IN PHASE ONE, WHICH BEGINS ON THE FIRST DAY OF JANUARY AND ENDS ON THE FIFTEENTH DAY OF JANUARY, THE COMMISSIONER SHALL ACCEPT APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES, BUT SHALL NOT ISSUE ANY SUCH CERTIFICATES. COMMENCING AFTER THE SIXTEENTH DAY OF JANUARY, THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE, PROVIDED THAT IF THE AGGREGATE TOTAL OF THE CONTRIBUTIONS FOR WHICH APPLICATIONS HAVE BEEN RECEIVED DURING PHASE ONE EXCEEDS THE AMOUNT OF THE CREDIT CAP IN SUBDIVISION (H) OF THIS SECTION, PHASE ONE OF THE APPLICATIONS SHALL BE ALLOCATED IN TWO STEPS. IN STEP ONE, THE CREDIT CAP SHALL BE DIVIDED BY THE NUMBER OF APPLICATIONS TO DETERMINE A BASE ALLOCATION. EACH APPLICATION REQUESTING THE BASE ALLOCATION OR LESS SHALL BE APPROVED. IN STEP TWO, THE REMAINING FUNDS SHALL BE CALCULATED AND ALLOCATED AMONG THE OTHER APPLICATIONS ON A DOLLAR PRO RATA BASIS. IF THE CREDIT CAP IS NOT EXCEEDED, PHASE TWO COMMENCES ON JANUARY SIXTEENTH AND ENDS ON NOVEMBER FIRST, DURING WHICH PERIOD THE COMMISSIONER SHALL ISSUE CONTRIBUTION AUTHORIZATION CERTIFICATES ON A FIRST-COME FIRST-SERVED BASIS BASED UPON THE DATE THE DEPARTMENT RECEIVED THE TAXPAYER'S APPLICATION FOR SUCH CERTIFICATE; PROVIDED, HOWEVER, THAT IF ON ANY DAY THE DEPARTMENT RECEIVES APPLICATIONS REQUESTING CONTRIBUTION AUTHORIZATION CERTIFICATES FOR CONTRIBUTIONS THAT IN THE AGGREGATE EXCEED THE AMOUNT OF THE REMAINING AVAILABLE CREDIT ON SUCH DAY, THE AUTHORIZED CONTRIBUTION AMOUNT LISTED IN EACH CONTRIBUTION AUTHORIZATION CERTIFICATE SHALL BE THE TAXPAYER'S PRO-RATA SHARE OF THE REMAINING AVAILABLE CREDIT. FOR PURPOSES OF DETERMINING A TAXPAYER'S PRO-RATA SHARE OF REMAINING AVAILABLE CREDIT, THE COMMISSIONER SHALL MULTIPLY THE AMOUNT OF REMAINING AVAILABLE CREDIT BY A FRACTION, THE NUMERATOR OF WHICH EQUALS THE TOTAL CONTRIBUTION AMOUNT LISTED ON THE TAXPAYER'S APPLICATION AND THE DENOMINATOR OF WHICH EQUALS THE AGGREGATE AMOUNT OF CONTRIBUTIONS LISTED ON THE APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES RECEIVED ON SUCH DAY. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE SHALL BE MAILED NO LATER THAN THE FIFTH DAY OF FEBRUARY. CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE TWO SHALL BE MAILED WITHIN TWENTY DAYS OF RECEIPT OF SUCH APPLICATIONS. PROVIDED, HOWEVER, THAT NO CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE TWO SHALL BE ISSUED UNTIL ALL OF THE CONTRIBUTION AUTHORIZATION CERTIFICATES FOR APPLICATIONS RECEIVED DURING PHASE ONE HAVE BEEN ISSUED.

2. CONTRIBUTION AUTHORIZATION CERTIFICATE CONTENTS. EACH CONTRIBUTION AUTHORIZATION CERTIFICATE SHALL STATE: (I) THE DATE SUCH CERTIFICATION WAS ISSUED; (II) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE CERTIFICATE MUST BE MADE, WHICH SHALL BE NO LATER THAN NOVEMBER THIRTIETH OF THE YEAR FOR WHICH THE CONTRIBUTION AUTHORIZATION CERTIFICATE WAS ISSUED; (III) THE TAXPAYER'S NAME AND ADDRESS; (IV) THE AMOUNT OF AUTHORIZED CONTRIBUTIONS; (V) THE CONTRIBUTION AUTHORIZATION CERTIFICATE'S CERTIFICATE NUMBER; (VI) THE NAME AND ADDRESS OF THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND OR EDUCATIONAL SCHOLARSHIP ORGANIZATION FOR WHICH THE TAXPAYER MAY MAKE THE AUTHORIZED CONTRIBUTION; AND (VII) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

3. NOTIFICATION OF THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE. UPON ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE, THE COMMISSIONER SHALL NOTIFY THE EDUCATIONAL SCHOLARSHIP ORGANIZATION, PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION OR LOCAL EDUCATION FUND OF THE ISSUANCE OF THE CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER. SUCH NOTIFICATION SHALL INCLUDE: (I) THE TAXPAYER'S NAME

AND ADDRESS; (II) THE DATE SUCH CERTIFICATE WAS ISSUED; (III) THE DATE BY WHICH THE AUTHORIZED CONTRIBUTION LISTED IN THE NOTIFICATION MUST BE MADE BY THE TAXPAYER; (IV) THE AMOUNT OF THE AUTHORIZED CONTRIBUTION; (V) CONTRIBUTION AUTHORIZATION CERTIFICATE; AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

(G) CERTIFICATE OF RECEIPT. 1. IN GENERAL. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR ANY CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS BEEN APPROVED TO ISSUE CERTIFICATES OF RECEIPT PURSUANT TO ARTICLE TWENTY-FIVE OF THE EDUCATION LAW. NO PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL ISSUE A CERTIFICATE OF RECEIPT FOR A CONTRIBUTION MADE BY A TAXPAYER UNLESS SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION HAS RECEIVED NOTICE FROM THE DEPARTMENT THAT THE DEPARTMENT ISSUED A CREDIT AUTHORIZATION CERTIFICATE TO THE TAXPAYER FOR SUCH CONTRIBUTION.

2. TIMELY CONTRIBUTION. IF A TAXPAYER MAKES AN AUTHORIZED CONTRIBUTION TO THE PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SET FORTH ON THE AUTHORIZATION CERTIFICATE ISSUED TO THE TAXPAYER NO LATER THAN THE DATE BY WHICH SUCH AUTHORIZED CONTRIBUTION IS REQUIRED TO BE MADE, SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF RECEIPT OF THE AUTHORIZED CONTRIBUTION, ISSUE TO THE TAXPAYER A WRITTEN CERTIFICATE OF RECEIPT; PROVIDED, HOWEVER, THAT IF THE TAXPAYER CONTRIBUTES AN AMOUNT THAT IS LESS THAN THE AMOUNT LISTED ON THE TAXPAYER'S CONTRIBUTION AUTHORIZATION CERTIFICATE, THE TAXPAYER SHALL NOT BE ISSUED A CERTIFICATE OF RECEIPT FOR SUCH CONTRIBUTION.

3. CERTIFICATE OF RECEIPT CONTENTS. EACH CERTIFICATE OF RECEIPT SHALL STATE: (I) THE NAME AND ADDRESS OF THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR OR EDUCATIONAL SCHOLARSHIP ORGANIZATION; (II) THE TAXPAYER'S NAME AND ADDRESS; (III) THE DATE FOR EACH CONTRIBUTION; (IV) THE AMOUNT OF EACH CONTRIBUTION AND THE CORRESPONDING CONTRIBUTION AUTHORIZATION CERTIFICATE NUMBER; (V) THE TOTAL AMOUNT OF CONTRIBUTIONS; AND (VI) ANY OTHER INFORMATION THAT THE COMMISSIONER DEEMS NECESSARY.

4. NOTIFICATION TO THE DEPARTMENT OF THE ISSUANCE OF A CERTIFICATE OF RECEIPT. UPON THE ISSUANCE OF A CERTIFICATE OF RECEIPT, THE ISSUING PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION SHALL, WITHIN THIRTY DAYS OF ISSUING THE CERTIFICATE OF RECEIPT, PROVIDE THE DEPARTMENT WITH NOTIFICATION OF THE ISSUANCE OF SUCH CERTIFICATE IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

5. NOTIFICATION TO THE DEPARTMENT OF THE NON-ISSUANCE OF A CERTIFICATE OF RECEIPT. EACH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION THAT RECEIVED NOTIFICATION FROM THE DEPARTMENT PURSUANT TO SUBDIVISION (F) OF THIS SECTION REGARDING THE ISSUANCE OF A CONTRIBUTION AUTHORIZATION CERTIFICATE TO A TAXPAYER SHALL, WITHIN THIRTY DAYS OF THE EXPIRATION DATE FOR SUCH AUTHORIZED CONTRIBUTION, PROVIDE NOTIFICATION TO THE DEPARTMENT FOR EACH TAXPAYER THAT FAILED TO MAKE THE AUTHORIZED CONTRIBUTION TO SUCH PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION,

LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION IN THE FORM AND MANNER PRESCRIBED BY THE DEPARTMENT.

6. FAILURE TO NOTIFY THE DEPARTMENT. WITHIN THIRTY DAYS OF DISCOVERY OF THE FAILURE OF ANY PUBLIC EDUCATION ENTITY, SCHOOL IMPROVEMENT ORGANIZATION, LOCAL EDUCATION FUND, OR EDUCATIONAL SCHOLARSHIP ORGANIZATION TO COMPLY WITH THE NOTIFICATION REQUIREMENTS PRESCRIBED BY PARAGRAPHS FOUR AND/OR FIVE OF THIS SUBDIVISION, THE COMMISSIONER SHALL ISSUE A NOTICE OF COMPLIANCE FAILURE TO SUCH ENTITY, PROGRAM FUND OR ORGANIZATION. SUCH ENTITY, PROGRAM FUND OR ORGANIZATION SHALL HAVE THIRTY DAYS FROM THE DATE OF SUCH NOTICE TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND/OR FIVE OF THIS SUBDIVISION. SUCH PERIOD MAY BE EXTENDED FOR AN ADDITIONAL THIRTY DAYS UPON THE REQUEST OF THE ENTITY, PROGRAM FUND OR ORGANIZATION. UPON THE EXPIRATION OF THE PERIOD FOR COMPLIANCE SET FORTH IN THE NOTICE PRESCRIBED BY THIS PARAGRAPH, THE COMMISSIONER SHALL NOTIFY THE COMMISSIONER OF EDUCATION THAT SUCH ENTITY, PROGRAM FUND OR ORGANIZATION FAILED TO MAKE THE NOTIFICATIONS PRESCRIBED BY PARAGRAPHS FOUR AND/OR FIVE OF THIS SUBDIVISION.

(H) CREDIT CAP. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE ANNUALLY FOR CALENDAR YEAR TWO THOUSAND SEVENTEEN AND ALL FOLLOWING YEARS TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, AND LOCAL EDUCATION FUNDS SHALL BE TWENTY MILLION DOLLARS. THE MAXIMUM PERMITTED CREDITS UNDER THIS SECTION AVAILABLE ANNUALLY FOR CALENDAR YEAR TWO THOUSAND SEVENTEEN AND ALL FOLLOWING YEARS TO ALL TAXPAYERS FOR QUALIFIED CONTRIBUTIONS TO EDUCATIONAL SCHOLARSHIP ORGANIZATIONS SHALL BE FIFTY MILLION DOLLARS.

(I) ADDITIONS TO THE CREDIT CAP. UNISSUED CERTIFICATES OF RECEIPT. ANY AMOUNTS FOR WHICH THE DEPARTMENT RECEIVES NOTIFICATION OF NON-ISSUANCE OF A CERTIFICATE OF RECEIPT SHALL BE ADDED TO THE CAP PRESCRIBED IN SUBDIVISION (H) OF THIS SECTION FOR THE IMMEDIATELY FOLLOWING YEAR.

(J) OTHER REQUIREMENTS; MISCELLANEOUS. RECORD KEEPING. EACH TAXPAYER SHALL, FOR EACH TAXABLE YEAR FOR WHICH THE EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT PROVIDE FOR UNDER THIS SECTION IS CLAIMED, MAINTAIN RECORDS OF THE FOLLOWING INFORMATION: (I) CONTRIBUTION AUTHORIZATION CERTIFICATES OBTAINED PURSUANT TO SUBDIVISION (F) OF THIS SECTION, AND (II) CERTIFICATES OF RECEIPT OBTAINED PURSUANT TO SUBDIVISION (G) OF THIS SECTION.

(K) JOINT ANNUAL REPORT. ON OR BEFORE THE LAST DAY OF MAY FOR EACH CALENDAR YEAR, FOR THE IMMEDIATELY PRECEDING YEAR, THE COMMISSIONER AND THE COMMISSIONER OF EDUCATION SHALL JOINTLY SUBMIT A WRITTEN REPORT TO THE GOVERNOR, THE TEMPORARY PRESIDENT OF THE SENATE, THE SPEAKER OF THE ASSEMBLY, THE CHAIRMAN OF THE SENATE FINANCE COMMITTEE AND THE CHAIRMAN OF THE ASSEMBLY WAYS AND MEANS COMMITTEE REGARDING THE CREDIT. SUCH REPORT SHALL CONTAIN INFORMATION FOR ARTICLES NINE-A AND TWENTY-TWO OF THIS CHAPTER, RESPECTIVELY, REGARDING: (I) THE NUMBER OF APPLICATIONS RECEIVED; (II) THE NUMBER OF AND AGGREGATE VALUE OF THE CONTRIBUTION AUTHORIZATION CERTIFICATES ISSUED FOR CONTRIBUTIONS TO PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS, RESPECTIVELY (III) THE GEOGRAPHICAL DISTRIBUTION BY COUNTY, TO THE EXTENT FEASIBLE, OF (A) THE APPLICATIONS FOR CONTRIBUTION AUTHORIZATION CERTIFICATES, AND (B) THE PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS LISTED ON THE ISSUED CONTRIBUTION AUTHORIZATION CERTIFICATES; AND (IV) INFORMATION, INCLUDING GEOGRAPHICAL DISTRIBUTION BY COUNTY, TO THE EXTENT FEASIBLE, OF THE NUMBER OF ELIGIBLE PUPILS THAT RECEIVED SCHOLARSHIPS, THE NUMBER OF

QUALIFIED SCHOOLS ATTENDED BY ELIGIBLE PUPILS THAT RECEIVED SUCH SCHOLARSHIPS, AND THE AVERAGE VALUE OF SCHOLARSHIPS RECEIVED BY SUCH ELIGIBLE PUPILS. THE COMMISSIONER AND DESIGNATED EMPLOYEES OF THE DEPARTMENT AND THE COMMISSIONER OF EDUCATION AND DESIGNATED EMPLOYEES OF THE DEPARTMENT OF EDUCATION SHALL BE ALLOWED AND ARE DIRECTED TO SHARE AND EXCHANGE INFORMATION REGARDING THE SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS THAT APPLIED FOR APPROVAL TO BE AUTHORIZED TO RECEIVE QUALIFIED CONTRIBUTIONS; AND THE PUBLIC EDUCATION ENTITIES, SCHOOL IMPROVEMENT ORGANIZATIONS, LOCAL EDUCATION FUNDS, AND EDUCATIONAL SCHOLARSHIP ORGANIZATIONS AUTHORIZED TO ISSUE CERTIFICATES OF RECEIPT, INCLUDING INFORMATION CONTAINED IN OR DERIVED FROM APPLICATION FORMS AND REPORTS SUBMITTED TO THE DEPARTMENT OF EDUCATION OR THE COMMISSIONER OF EDUCATION.

(1) 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-B; SUBDIVISION 51; AND

2. ARTICLE 22: SECTION 606, SUBSECTION (CCC).

S 5. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR CHARITABLE CONTRIBUTIONS ALLOWED UNDER SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE TO THE EXTENT SUCH CONTRIBUTIONS ARE USED AS THE BASIS OF THE CALCULATION OF THE EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT ALLOWED UNDER SUBDIVISION FIFTY-ONE OF SECTION TWO HUNDRED TEN-B OF THIS ARTICLE.

S 6. Section 210-B of the tax law is amended by adding a new subdivision 51 to read as follows:

51. EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT. (A) ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE.

(B) APPLICATION OF CREDIT. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR SHALL NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT OR IF THE TAXPAYER OTHERWISE PAYS TAX ON THE FIXED DOLLAR MINIMUM AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS FOR UP TO FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 7. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xli) to read as follows:

(XLI) EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT UNDER SUBSECTION (CCC)	AMOUNT OF CREDIT UNDER SUBDIVISION FIFTY-ONE OF SECTION TWO HUNDRED TEN-B

S 8. Section 606 of the tax law is amended by adding a new subsection (ccc) to read as follows:

(CCC) EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT. ALLOWANCE OF CREDIT. A TAXPAYER SHALL BE ALLOWED A CREDIT TO BE COMPUTED AS PROVIDED IN SECTION FORTY-TWO OF THIS CHAPTER, AGAINST THE TAX IMPOSED BY THIS ARTICLE. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR SHALL EXCEED THE TAXPAYER'S TAX FOR SUCH YEAR, THE EXCESS ALLOWED FOR A TAXABLE YEAR MAY BE CARRIED OVER TO THE FOLLOWING YEAR OR YEARS FOR UP TO FIVE YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

S 9. Subsection (c) of section 615 of the tax law is amended by adding a new paragraph 9 to read as follows:

(9) WITH RESPECT TO A TAXPAYER WHO HAS CLAIMED THE EDUCATION SCHOLARSHIP AND PROGRAM TAX CREDIT FOR QUALIFIED CONTRIBUTIONS PURSUANT TO SUBSECTION (CCC) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE, THE TAXPAYER'S NEW YORK ITEMIZED DEDUCTION SHALL BE REDUCED BY ANY CHARITABLE CONTRIBUTION DEDUCTION ALLOWED UNDER SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE WITH RESPECT TO SUCH QUALIFIED CONTRIBUTIONS.

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

(V) INSTRUCTIONAL MATERIALS AND SUPPLIES CREDIT. (1) A TAXPAYER SHALL BE ALLOWED A CREDIT, NOT TO EXCEED TWO HUNDRED DOLLARS, THAT IS EQUAL TO THE AMOUNT PAID BY THE TAXPAYER DURING THE TAXABLE YEAR FOR INSTRUCTIONAL MATERIALS AND SUPPLIES WITH RESPECT TO CLASSROOM BASED INSTRUCTION IN A PUBLIC OR NON-PUBLIC ELEMENTARY OR SECONDARY SCHOOL IN THIS STATE, INCLUDING A CHARTER SCHOOL AUTHORIZED BY ARTICLE FIFTY-SIX OF THE EDUCATION LAW, PROVIDED, HOWEVER, THE TAXPAYER MUST BE A TEACHER OR INSTRUCTOR AT SUCH SCHOOL FOR AT LEAST NINE HUNDRED HOURS DURING THE TAXABLE YEAR. FOR PURPOSES OF THIS SUBSECTION, THE TERM "MATERIALS AND SUPPLIES" MEANS INSTRUCTIONAL MATERIALS OR SUPPLIES THAT ARE DESIGNATED FOR CLASSROOM USE.

(2) 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.

(3) THE MAXIMUM AMOUNT OF CREDIT THAT SHALL BE ALLOWED ANNUALLY UNDER THIS SUBSECTION SHALL BE TEN MILLION DOLLARS. IN ORDER TO CLAIM A CREDIT UNDER THIS SUBSECTION, A TAXPAYER SHALL BE REQUIRED TO APPLY TO THE DEPARTMENT FOR APPROVAL DURING THE TAXABLE YEAR. THE TAXPAYER SHALL BE REQUIRED TO SUBMIT DOCUMENTATION DEMONSTRATING THAT THE TAXPAYER IS A TEACHER OR INSTRUCTOR AS REQUIRED UNDER THIS SUBSECTION AND THAT THE TAXPAYER PURCHASED MATERIALS AND SUPPLIES. THE DEPARTMENT SHALL REVIEW THE APPLICATION AND PROVIDE A TAXPAYER WITH A CERTIFICATE THAT SPECIFIES HOW MUCH CREDIT THE TAXPAYER IS ENTITLED TO CLAIM. IF REQUIRED BY THE COMMISSIONER, THE TAXPAYER MUST SUBMIT THAT CERTIFICATE WITH HIS OR HER TAX RETURN. THE COMMISSIONER SHALL ALLOCATE THE CREDITS ON A FIRST COME FIRST SERVED BASIS AND PRESCRIBE THE NECESSARY PROCEDURES FOR REVIEWING THE APPLICATIONS AND PRODUCING THE CERTIFICATES.

S 11. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 43 to read as follows:

(43) THE AMOUNT OF ANY FEDERAL DEDUCTION FOR CERTAIN EXPENSES OF ELIGIBLE EDUCATORS PURSUANT TO SUBPARAGRAPH (D) OF PARAGRAPH TWO OF SUBSECTION (A) OF SECTION SIXTY-TWO OF THE INTERNAL REVENUE CODE TO THE EXTENT SUCH EXPENSES ARE USED AS THE BASIS OF THE CALCULATION OF THE CREDIT ALLOWED UNDER SUBSECTION (V) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE.

S 12. Section 606 of the tax law is amended by adding a new subsection (w) to read as follows:

(W) FAMILY CHOICE EDUCATION CREDIT. (1) GENERAL. A RESIDENT TAXPAYER SHALL BE ALLOWED A CREDIT, TO BE COMPUTED AS PROVIDED IN PARAGRAPH FOUR OF THIS SUBSECTION, AGAINST THE TAX IMPOSED BY THIS ARTICLE, FOR QUALIFIED PRIMARY OR SECONDARY EDUCATION TUITION EXPENSES.

(2) DEFINITIONS. FOR THE PURPOSES OF THIS CREDIT:

(A) THE TERM "ELIGIBLE STUDENT" SHALL MEAN ANY DEPENDENT OF THE TAXPAYER WITH RESPECT TO WHOM THE TAXPAYER IS ALLOWED AN EXEMPTION UNDER SECTION SIX HUNDRED SIXTEEN OF THIS ARTICLE FOR THE TAXABLE YEAR.

(B) THE TERM "QUALIFIED PRIMARY OR SECONDARY EDUCATION TUITION EXPENSES" SHALL MEAN THE TUITION REQUIRED FOR THE ENROLLMENT OR ATTENDANCE OF AN ELIGIBLE STUDENT AT A PUBLIC SCHOOL OR A NON-PUBLIC SCHOOL, AS DEFINED IN SECTION FORTY-TWO OF THIS CHAPTER. PROVIDED, HOWEVER, TUITION PAYMENTS MADE PURSUANT TO THE RECEIPT OF ANY SCHOLARSHIPS OR FINANCIAL AID SHALL BE EXCLUDED FROM THE DEFINITION OF "QUALIFIED PRIMARY OR SECONDARY EDUCATION TUITION EXPENSES".

(3) ELIGIBILITY. TO BE ELIGIBLE FOR THIS CREDIT, THE NEW YORK ADJUSTED GROSS INCOME OF THE TAXPAYER FOR THE TAXABLE YEAR, OR IN THE CASE OF A MARRIED COUPLE FILING A JOINT RETURN, THE NEW YORK ADJUSTED GROSS INCOME OF THE MARRIED COUPLE FOR THE TAXABLE YEAR, MAY NOT EXCEED SIXTY THOUSAND DOLLARS.

(4) AMOUNT OF CREDIT. THE AMOUNT OF THE CREDIT SHALL BE EQUAL TO THE LESSER OF FIVE HUNDRED DOLLARS PER ELIGIBLE STUDENT OR THE ACTUAL AMOUNT OF QUALIFIED PRIMARY OR SECONDARY EDUCATION TUITION EXPENSES PAID BY THE TAXPAYER PER ELIGIBLE STUDENT DURING THE TAXABLE YEAR.

(5) REFUNDABILITY. 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 13. Severability. If any provision of this act or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the act which can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

S 14. This act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2017.

PART T

Section 1. The tax law is amended by adding a new section 187-t to read as follows:

S 187-T. NEW YORK STATE THRUWAY TOLLS TAX CREDIT. (1) A TAXPAYER THAT OPERATES A MOTOR VEHICLE ON THE NEW YORK STATE THRUWAY, AND PAYS NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS ACCOUNT, SHALL BE ALLOWED A CREDIT, AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY SECTIONS ONE HUNDRED EIGHTY-THREE AND ONE HUNDRED EIGHTY-FOUR OF THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN BUT BEFORE JANUARY FIRST, TWO THOUSAND NINETEEN. IN NO EVENT SHALL THE CREDIT UNDER THIS SECTION BE ALLOWED IN AN AMOUNT THAT WILL REDUCE THE TAX TO LESS THAN THE APPLICABLE MINIMUM TAX FIXED BY SECTION ONE HUNDRED EIGHTY-THREE OF THIS ARTICLE. IF, HOWEVER, THE AMOUNT OF CREDIT ALLOWED UNDER THIS SECTION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR MAY BE CARRIED FORWARD TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(2) FOR PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(A) "MOTOR VEHICLE" MEANS A VEHICLE AS DEFINED IN SECTION ONE HUNDRED TWENTY-FIVE OF THE VEHICLE AND TRAFFIC LAW:

(B) "E-ZPASS BUSINESS ACCOUNT" MEANS A PREPAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(C) "E-ZPASS COMMERCIAL ACCOUNT" MEANS A POST-PAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(3)(A) THE CREDIT FOR A TAXPAYER HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. TO QUALIFY FOR THE CREDIT, THE TAXPAYER MUST HAVE PAID ONE HUNDRED DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH SUCH ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. A TAXPAYER THAT PAYS TEN THOUSAND DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR DOES NOT QUALIFY FOR THE CREDIT IN ANY AMOUNT IN THAT TAXABLE YEAR.

(B) IF A TAXPAYER HAS MORE THAN ONE E-ZPASS TRANSPONDER ON AN ACCOUNT OR HAS MORE THAN ONE ACCOUNT, ALL THE NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER FOR ALL E-ZPASS TRANSPONDERS AND ALL ACCOUNTS SHALL BE AGGREGATED FOR PURPOSES OF APPLYING THE MINIMUM AND MAXIMUM AMOUNTS OF NEW YORK STATE THRUWAY TOLLS REFERENCED IN PARAGRAPH (A) OF THIS SUBDIVISION.

(4) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE AMOUNT OF ANY CLAIM MADE FOR A NEW YORK STATE THRUWAY TOLLS TAX CREDIT MAY BE VERIFIED THROUGH E-ZPASS TOLL RECEIPT RECORDS CREATED AND MAINTAINED BY THE ENTITY AUTHORIZED TO ISSUE THE E-ZPASS ACCOUNT AND MADE AVAILABLE TO, AND UPON REQUEST BY, THE DEPARTMENT FOR THIS PURPOSE.

S 2. Section 210-B of the tax law is amended by adding a new subdivision 49 to read as follows:

49. NEW YORK STATE THRUWAY TOLLS TAX CREDIT. (A) A TAXPAYER THAT OPERATES A MOTOR VEHICLE, OR A FARM VEHICLE IN CONNECTION WITH FARM OPERATIONS, ON THE NEW YORK STATE THRUWAY, AND PAYS NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS ACCOUNT, SHALL BE ALLOWED A CREDIT, AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN BUT BEFORE JANUARY FIRST, TWO THOUSAND NINETEEN. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR MAY NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH (D) OF SUBDIVISION ONE OF SECTION TWO HUNDRED TEN OF THIS ARTICLE. HOWEVER, IF THE AMOUNT OF CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR REDUCES THE TAX TO SUCH AMOUNT, OR IF THE TAXPAYER OTHERWISE PAYS TAX BASED ON THE FIXED DOLLAR MINIMUM AMOUNT, ANY AMOUNT OF CREDIT THUS NOT DEDUCTIBLE IN THAT TAXABLE YEAR SHALL BE CARRIED FORWARD TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(B) FOR PURPOSES OF THIS SUBDIVISION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(1) "MOTOR VEHICLE" MEANS A VEHICLE AS DEFINED IN SECTION ONE HUNDRED TWENTY-FIVE OF THE VEHICLE AND TRAFFIC LAW.

(2) "FARM VEHICLE" MEANS A MOTOR VEHICLE HAVING A GROSS VEHICLE WEIGHT RATING OF NOT MORE THAN TWENTY-SIX THOUSAND POUNDS THAT IS OWNED BY A PERSON PRIMARILY ENGAGED IN PRODUCTION BY MEANS OF (I) THE PLANTING, CULTIVATION AND HARVESTING OF AGRICULTURAL, VEGETABLE AND FOOD PRODUCTS OF THE SOIL, INCLUDING HORTICULTURAL SPECIALTIES SUCH AS NURSERY STOCK, ORNAMENTAL SHRUBS, ORNAMENTAL TREES AND FLOWERS, (II) THE RAISING, FEEDING AND CARE OF LIVESTOCK, BEES, AND POULTRY, OR (III) DAIRY FARMING.

SUCH FARM VEHICLE SHALL BE PRINCIPALLY USED FOR THE TRANSPORTATION OF AGRICULTURAL OR DAIRY COMMODITIES OR SUPPLIES, OR USED IN CONJUNCTION WITH LUMBERING OPERATIONS CONNECTED WITH BUT ONLY INCIDENTAL TO THE OPERATION OF A FARM.

(3) "E-ZPASS BUSINESS ACCOUNT" MEANS A PREPAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(4) "E-ZPASS COMMERCIAL ACCOUNT" MEANS A POST-PAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(C)(1) THE CREDIT FOR A TAXPAYER HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. TO QUALIFY FOR THE CREDIT, THE TAXPAYER MUST HAVE PAID ONE HUNDRED DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH SUCH ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. A TAXPAYER THAT PAYS TEN THOUSAND DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR DOES NOT QUALIFY FOR THE CREDIT IN ANY AMOUNT IN THAT TAXABLE YEAR.

(2) THE CREDIT FOR A TAXPAYER OWNING AND OPERATING A FARM VEHICLE AND HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR FOR THAT FARM VEHICLE, PROVIDED THE QUALIFYING NEW YORK STATE THRUWAY TOLLS WERE INCURRED IN CONNECTION WITH FARM OPERATIONS.

(3) A TAXPAYER MAY CLAIM THE CREDIT PROVIDED FOR IN SUBPARAGRAPH ONE OR TWO OF THIS PARAGRAPH IN A TAXABLE YEAR BUT MAY NOT CLAIM A CREDIT UNDER BOTH SUBPARAGRAPHS ONE AND TWO OF THIS PARAGRAPH IN THE SAME TAXABLE YEAR.

(4) IF A TAXPAYER HAS MORE THAN ONE E-ZPASS TRANSPONDER ON AN ACCOUNT OR HAS MORE THAN ONE ACCOUNT, ALL THE NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER FOR ALL E-ZPASS TRANSPONDERS AND ALL ACCOUNTS SHALL BE AGGREGATED FOR PURPOSES OF APPLYING THE MINIMUM AND MAXIMUM AMOUNTS OF NEW YORK STATE THRUWAY TOLLS REFERENCED IN SUBPARAGRAPH ONE OF THIS PARAGRAPH.

(D) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE AMOUNT OF ANY CLAIM MADE FOR A NEW YORK STATE THRUWAY TOLLS TAX CREDIT MAY BE VERIFIED THROUGH E-ZPASS TOLL RECEIPT RECORDS CREATED AND MAINTAINED BY THE ENTITY AUTHORIZED TO ISSUE THE E-ZPASS ACCOUNT AND MADE AVAILABLE TO, AND UPON REQUEST BY, THE DEPARTMENT FOR THIS PURPOSE.

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

(CCC) NEW YORK STATE THRUWAY TOLLS TAX CREDIT. (1) A TAXPAYER THAT OPERATES A MOTOR VEHICLE, OR A FARM VEHICLE IN CONNECTION WITH FARM OPERATIONS, ON THE NEW YORK STATE THRUWAY, AND PAYS NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS ACCOUNT, SHALL BE ALLOWED A CREDIT, AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN BUT BEFORE JANUARY FIRST, TWO THOUSAND NINETEEN. IF THE AMOUNT OF CREDIT ALLOWABLE UNDER THIS SUBSECTION FOR ANY TAXABLE YEAR EXCEEDS THE TAXPAYER'S TAX FOR SUCH YEAR, ANY AMOUNT OF CREDIT NOT DEDUCTIBLE IN SUCH TAXABLE YEAR SHALL BE CARRIED FORWARD TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(2) FOR PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY:

(A) "MOTOR VEHICLE" MEANS A VEHICLE AS DEFINED IN SECTION ONE HUNDRED TWENTY-FIVE OF THE VEHICLE AND TRAFFIC LAW.

(B) "FARM VEHICLE" MEANS A MOTOR VEHICLE HAVING A GROSS VEHICLE WEIGHT RATING OF NOT MORE THAN TWENTY-SIX THOUSAND POUNDS THAT IS OWNED BY A PERSON PRIMARILY ENGAGED IN PRODUCTION BY MEANS OF (I) THE PLANTING, CULTIVATION AND HARVESTING OF AGRICULTURAL, VEGETABLE AND FOOD PRODUCTS OF THE SOIL, INCLUDING HORTICULTURAL SPECIALTIES SUCH AS NURSERY STOCK, ORNAMENTAL SHRUBS, ORNAMENTAL TREES AND FLOWERS, (II) THE RAISING, FEEDING AND CARE OF LIVESTOCK, BEES, AND POULTRY, OR (III) DAIRY FARMING. SUCH FARM VEHICLE SHALL BE PRINCIPALLY USED FOR THE TRANSPORTATION OF AGRICULTURAL OR DAIRY COMMODITIES OR SUPPLIES, OR USED IN CONJUNCTION WITH LUMBERING OPERATIONS CONNECTED WITH BUT ONLY INCIDENTAL TO THE OPERATION OF A FARM.

(C) "E-ZPASS INDIVIDUAL ACCOUNT" MEANS A PREPAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN AN INDIVIDUAL'S NAME.

(D) "E-ZPASS BUSINESS ACCOUNT" MEANS A PREPAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(E) "E-ZPASS COMMERCIAL ACCOUNT" MEANS A POST-PAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(3)(A) THE CREDIT FOR A TAXPAYER HOLDING AN E-ZPASS INDIVIDUAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. TO QUALIFY FOR THE CREDIT, THE TAXPAYER MUST HAVE PAID AT LEAST FIFTY DOLLARS IN NEW YORK STATE THRUWAY TOLLS THROUGH SUCH ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR.

(B) THE CREDIT FOR A TAXPAYER HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. TO QUALIFY FOR THE CREDIT, THE TAXPAYER MUST HAVE PAID ONE HUNDRED DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH SUCH ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. A TAXPAYER THAT PAYS TEN THOUSAND DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR DOES NOT QUALIFY FOR THE CREDIT IN ANY AMOUNT IN THAT TAXABLE YEAR.

(C) THE CREDIT FOR A TAXPAYER OWNING AND OPERATING A FARM VEHICLE AND HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO ONE HUNDRED PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR FOR THAT FARM VEHICLE, PROVIDED THE QUALIFYING NEW YORK STATE THRUWAY TOLLS WERE INCURRED IN CONNECTION WITH FARM OPERATIONS.

(D) A TAXPAYER MAY CLAIM THE CREDIT PROVIDED FOR IN SUBPARAGRAPH (A), (B) OR (C) OF THIS PARAGRAPH IN A TAXABLE YEAR BUT MAY NOT CLAIM A CREDIT UNDER MORE THAN ONE SUBPARAGRAPH OF THIS PARAGRAPH IN THE SAME TAXABLE YEAR.

(E) IF A TAXPAYER HAS MORE THAN ONE E-ZPASS TRANSPONDER ON AN ACCOUNT OR HAS MORE THAN ONE ACCOUNT, ALL THE NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER FOR ALL E-ZPASS TRANSPONDERS AND ALL ACCOUNTS SHALL BE AGGREGATED FOR PURPOSES OF APPLYING THE MINIMUM AND MAXIMUM AMOUNTS OF NEW YORK STATE THRUWAY TOLLS REFERENCED IN SUBPARAGRAPHS (A) AND (B) OF THIS PARAGRAPH.

(4) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE AMOUNT OF ANY CLAIM MADE FOR A NEW YORK STATE THRUWAY TOLLS TAX CREDIT MAY BE VERIFIED THROUGH E-ZPASS TOLL RECEIPTS RECORDS CREATED AND MAINTAINED BY THE ENTITY AUTHORIZED TO ISSUE THE E-ZPASS ACCOUNT AND MADE AVAILABLE TO, AND UPON REQUEST BY, THE DEPARTMENT OF TAXATION AND FINANCE FOR THIS PURPOSE.

S 4. Subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law is amended by adding a new clause (xli) to read as follows:

(XLI) NEW YORK STATE THRUWAY TOLLS TAX CREDIT UNDER SUBSECTION (CCC)	AMOUNT OF CREDIT UNDER SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B

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

(DD) NEW YORK STATE THRUWAY TOLLS TAX CREDIT. (1) A TAXPAYER THAT OPERATES A MOTOR VEHICLE ON THE NEW YORK STATE THRUWAY, AND PAYS NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS ACCOUNT, SHALL BE ALLOWED A CREDIT, AS HEREINAFTER PROVIDED, AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR TAXABLE YEARS BEGINNING ON OR AFTER JANUARY FIRST, TWO THOUSAND SIXTEEN BUT BEFORE JANUARY FIRST, TWO THOUSAND NINETEEN. THE CREDIT ALLOWED UNDER THIS SUBDIVISION FOR ANY TAXABLE YEAR MAY NOT REDUCE THE TAX DUE FOR THAT YEAR TO LESS THAN THE AMOUNT PRESCRIBED IN PARAGRAPH FOUR OF SUBDIVISION (A) OF SECTION FIFTEEN HUNDRED TWO OF THIS ARTICLE, OR TWO HUNDRED FIFTY DOLLARS IF SECTION FIFTEEN HUNDRED TWO-A OF THIS ARTICLE IS APPLICABLE. 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 THAT TAXABLE YEAR SHALL BE CARRIED FORWARD TO THE FOLLOWING YEAR OR YEARS AND MAY BE DEDUCTED FROM THE TAXPAYER'S TAX FOR SUCH YEAR OR YEARS.

(2) FOR PURPOSES OF THIS SECTION, THE FOLLOWING DEFINITIONS SHALL APPLY.

(A) "MOTOR VEHICLE" MEANS A VEHICLE AS DEFINED IN SECTION ONE HUNDRED TWENTY-FIVE OF THE VEHICLE AND TRAFFIC LAW.

(B) "E-ZPASS BUSINESS ACCOUNT" MEANS A PREPAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(C) "E-ZPASS COMMERCIAL ACCOUNT" MEANS A POST-PAID E-ZPASS ACCOUNT ISSUED BY AN AUTHORIZED ENTITY IN A CORPORATION'S OR COMMERCIAL ENTERPRISE'S NAME.

(3) (A) THE CREDIT FOR A TAXPAYER HOLDING AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS SHALL BE IN AN AMOUNT EQUAL TO FIFTY PERCENT OF THE SUM OF ALL NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER THROUGH SUCH AN ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. TO QUALIFY FOR THE CREDIT, THE TAXPAYER MUST HAVE PAID ONE HUNDRED DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH SUCH ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR. A TAXPAYER THAT PAYS TEN THOUSAND DOLLARS OR MORE IN NEW YORK STATE THRUWAY TOLLS THROUGH AN E-ZPASS BUSINESS OR COMMERCIAL ACCOUNT OR ACCOUNTS DURING THE TAXABLE YEAR DOES NOT QUALIFY FOR THE CREDIT IN ANY AMOUNT IN THAT TAXABLE YEAR.

(B) IF A TAXPAYER HAS MORE THAN ONE E-ZPASS TRANSPONDER ON AN ACCOUNT OR HAS MORE THAN ONE ACCOUNT, ALL THE NEW YORK STATE THRUWAY TOLLS PAID BY THE TAXPAYER FOR ALL E-ZPASS TRANSPONDERS AND ALL ACCOUNTS SHALL BE AGGREGATED FOR PURPOSES OF APPLYING THE MINIMUM AND MAXIMUM AMOUNTS OF NEW YORK STATE THRUWAY TOLLS REFERENCED IN SUBPARAGRAPH (A) OF THIS PARAGRAPH.

(4) NOTWITHSTANDING ANY OTHER LAW TO THE CONTRARY, THE AMOUNT OF ANY CLAIM MADE FOR A NEW YORK STATE THRUWAY TOLLS TAX CREDIT MAY BE VERIFIED THROUGH E-ZPASS TOLL RECEIPT RECORDS CREATED AND MAINTAINED BY THE ENTITY AUTHORIZED TO ISSUE THE E-ZPASS ACCOUNT AND MADE AVAILABLE TO, AND UPON REQUEST BY, THE DEPARTMENT FOR THIS PURPOSE.

S 6. Paragraph (b) of subdivision 9 of section 208 of the tax law is amended by adding a new subparagraph 22 to read as follows:

(22) THE AMOUNT OF ANY NEW YORK STATE THRUWAY TOLLS USED IN THE CALCULATION OF ANY CREDIT ALLOWED UNDER SUBDIVISION FORTY-NINE OF SECTION TWO HUNDRED TEN-B OF THIS ARTICLE.

S 7. Subsection (b) of section 612 of the tax law is amended by adding a new paragraph 43 to read as follows:

(43) THE AMOUNT OF ANY NEW YORK STATE THRUWAY TOLLS USED IN THE CALCULATION OF ANY CREDIT ALLOWED UNDER SUBSECTION (CCC) OF SECTION SIX HUNDRED SIX OF THIS ARTICLE.

S 8. Paragraph 2 of subdivision (b) of section 1503 of the tax law is amended by adding a new subparagraph (W) to read as follows:

(W) THE AMOUNT OF ANY NEW YORK STATE THRUWAY TOLLS USED IN THE CALCULATION OF ANY CREDIT ALLOWED UNDER SUBDIVISION (DD) OF SECTION FIFTEEN HUNDRED ELEVEN OF THIS ARTICLE.

S 9. This act shall take effect immediately.

PART U

Section 1. Section 19 of Part W-1 of chapter 109 of the laws of 2006 amending the tax law and other laws relating to providing exemptions, reimbursements and credits from various taxes for certain alternative fuels, as amended by section 1 of part V of chapter 59 of the laws of 2014, is amended to read as follows:

S 19. This act shall take effect immediately; provided, however, that sections one through thirteen of this act shall take effect September 1, 2006 and shall be deemed repealed on September 1, [2016] 2021 and such repeal shall apply in accordance with the applicable transitional provisions of sections 1106 and 1217 of the tax law, and shall apply to sales made, fuel compounded or manufactured, and uses occurring on or after such date, and with respect to sections seven through eleven of this act, in accordance with applicable transitional provisions of sections 1106 and 1217 of the tax law; provided, however, that the commissioner of taxation and finance shall be authorized on and after the date this act shall have become a law to adopt and amend any rules or regulations and to take any steps necessary to implement the provisions of this act; provided further that sections fourteen through sixteen of this act shall take effect immediately and shall apply to taxable years beginning on or after January 1, 2006.

S 2. This act shall take effect immediately.

PART V

Section 1. Section 37 of the tax law, as added by chapter 109 of the laws of 2012, subdivision (c) as amended by section 52 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

S 37. [Beer] ALCOHOLIC BEVERAGE production credit. (a) General. A taxpayer subject to tax under article nine-A or twenty-two of this chapter, that is registered as a distributor under article eighteen of this chapter, and that produces sixty million or fewer gallons of beer OR CIDER, TWENTY MILLION OR FEWER GALLONS OF WINE, OR EIGHT HUNDRED THOU-

SAND OR FEWER GALLONS OF LIQUOR in this state in the taxable year, shall be allowed a credit against such taxes in the amount specified in subdivision (b) of this section and pursuant to the provisions referenced in subdivision (c) of this section. Provided, however, that no credit shall be allowed for any beer, CIDER, WINE OR LIQUOR produced in excess of fifteen million five hundred thousand gallons in the taxable year. 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 that cap.

(b) The amount of the credit per taxpayer per taxable year (or pro rata share of earned credit in the case of a partnership) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state [on or after April first, two thousand twelve] shall be determined as follows:

(1) for the first five hundred thousand gallons of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year, the credit shall equal fourteen cents per gallon; and

(2) for each gallon of beer, CIDER, WINE OR LIQUOR produced in this state in the taxable year in excess of five hundred thousand gallons, the credit shall equal four and one-half cents per gallon.

(c) 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-B, subdivision 39.

(2) Article 22: Section 606, subsections (i) and (uu).

S 2. Subdivision 39 of section 210-B of the tax law, as added by section 17 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

39. [Beer] ALCOHOLIC BEVERAGE 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. In no event shall the credit allowed under this subdivision for any taxable year reduce the tax due for such year to less than the amount prescribed in paragraph (d) of subdivision one of section two hundred ten of this article. However, if the amount of credit allowed under this subdivision for any taxable year reduces the tax to such amount or if the taxpayer otherwise pays tax based on the fixed dollar minimum 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. Subdivision 3 of section 420 of the tax law, as amended by chapter 94 of the laws of 1934, is amended to read as follows:

3. "Alcoholic beverages" mean and include CIDERS, AS DEFINED BY THE ALCOHOLIC BEVERAGE CONTROL LAW, beers, wines or liquors.

S 4. Section 424 of the tax law is amended by adding a new subdivision 6 to read as follows:

6. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, THERE SHALL BE EXEMPT FROM THE TAXES IMPOSED UNDER THIS ARTICLE, ALCOHOLIC BEVERAGES FURNISHED BY A LICENSED PRODUCER OF ALCOHOLIC BEVERAGES AT NO CHARGE TO A CUSTOMER OR PROSPECTIVE CUSTOMER AT A TASTING HELD IN ACCORDANCE WITH THE ALCOHOLIC BEVERAGE CONTROL LAW FOR CONSUMPTION AT SUCH TASTING.

S 5. Clause (xxxiv) of subparagraph (B) of paragraph 1 of subsection (i) of section 606 of the tax law, as amended by section 68 of part A of chapter 59 of the laws of 2014, is amended to read as follows:

(xxxiv) [Beer] ALCOHOLIC BEVERAGE production credit under subsection (uu)	Amount of credit under subdivision thirty-nine of section two hundred ten-B

S 6. Subsection (uu) of section 606 of the tax law, as added by chapter 109 of the laws of 2012, is amended to read as follows:

(uu) [Beer] ALCOHOLIC BEVERAGE 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.

S 7. Subdivision 13 of section 1118 of the tax law, as added by section 2 of part U of chapter 59 of the laws of 2015, is amended to read as follows:

(13) In respect to the use of the following items at a tasting held by a licensed [brewery, farm brewery, cider producer, farm cidery, distillery or farm distillery] PRODUCER OF ALCOHOLIC BEVERAGES in accordance with the alcoholic beverage control law: (i) the alcoholic beverage or beverages authorized by the alcoholic beverage control law to be furnished at no charge to a customer or prospective customer at such tasting for consumption at such tasting; and (ii) bottles, corks, caps and labels used to package such alcoholic beverages.

S 8. This act shall take effect immediately, provided, however, that: sections one, two, five and six of this act shall apply to taxable years beginning on or after January 1, 2016; sections three and four of this act shall apply to taxable periods beginning on or after April 1, 2016; and section seven of this act shall apply to uses occurring on and after June 1, 2016.

PART W

Section 1. The tax law is amended by adding a new section 478-a to read as follows:

S 478-A. JEOPARDY ASSESSMENTS. IF THE COMMISSIONER BELIEVES THAT THE COLLECTION OF ANY TAX WILL BE JEOPARDIZED BY DELAY, HE OR SHE MAY DETERMINE THE AMOUNT OF SUCH TAX AND ASSESS THE SAME, TOGETHER WITH ALL INTEREST AND PENALTIES PROVIDED BY LAW, AGAINST ANY PERSON LIABLE THEREFOR PRIOR TO THE FILING OF HIS OR HER RETURN AND PRIOR TO THE DATE WHEN HIS OR HER RETURN IS REQUIRED TO BE FILED. THE AMOUNT SO DETERMINED SHALL BECOME DUE AND PAYABLE TO THE COMMISSIONER BY THE PERSON AGAINST WHOM SUCH A JEOPARDY ASSESSMENT IS MADE, AS SOON AS NOTICE THEREOF IS GIVEN TO HIM OR HER. THE PROVISIONS OF SECTION FOUR HUNDRED SEVENTY-EIGHT OF THIS ARTICLE SHALL APPLY TO ANY SUCH DETERMINATION EXCEPT TO THE EXTENT THAT THEY MAY BE INCONSISTENT WITH THE PROVISIONS OF THIS SECTION. THE COMMISSIONER MAY ABATE ANY JEOPARDY ASSESSMENT IF HE OR SHE FINDS THAT JEOPARDY DOES NOT EXIST. THE COLLECTION OF ANY JEOPARDY ASSESSMENT MAY BE STAYED BY FILING WITH THE COMMISSIONER A BOND ISSUED BY A SURETY COMPANY AUTHORIZED TO TRANSACT BUSINESS IN THIS STATE AND APPROVED BY THE SUPERINTENDENT OF FINANCIAL SERVICES AS TO SOLVENCY AND RESPONSIBILITY, OR SUCH OTHER SECURITY ACCEPTABLE TO THE COMMISSIONER, CONDITIONED UPON PAYMENT OF THE AMOUNT ASSESSED AND INTEREST THEREON, OR ANY LESSER AMOUNT TO WHICH SUCH ASSESSMENT MAY BE REDUCED BY THE ADMINISTRATIVE LAW JUDGE OR THE TAX APPEALS TRIBUNAL OR BY A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES AS

PROVIDED IN SECTION FOUR HUNDRED SEVENTY-EIGHT OF THIS ARTICLE, SUCH PAYMENT TO BE MADE WHEN THE ASSESSMENT OR ANY SUCH REDUCTION THEREOF BECOMES FINAL AND NOT SUBJECT TO FURTHER REVIEW. IF SUCH A BOND IS FILED AND THEREAFTER A PROCEEDING UNDER ARTICLE SEVENTY-EIGHT OF THE CIVIL PRACTICE LAW AND RULES IS COMMENCED AS PROVIDED IN SECTION FOUR HUNDRED SEVENTY-EIGHT OF THIS ARTICLE, DEPOSIT OF THE TAXES, PENALTIES AND INTEREST ASSESSED SHALL NOT BE REQUIRED AS A CONDITION PRECEDENT TO THE COMMENCEMENT OF SUCH PROCEEDING. WHERE A JEOPARDY ASSESSMENT IS MADE, ANY PROPERTY SEIZED FOR THE COLLECTION OF THE TAX SHALL NOT BE SOLD: (1) UNTIL EXPIRATION OF THE TIME TO APPLY FOR A HEARING AS PROVIDED IN SECTION FOUR HUNDRED SEVENTY-EIGHT OF THIS ARTICLE, AND (2) IF SUCH APPLICATION IS TIMELY FILED, UNTIL THE EXPIRATION OF THE TIME TO FILE AN EXCEPTION TO THE DETERMINATION OF THE ADMINISTRATIVE LAW JUDGE OR, IF AN EXCEPTION IS TIMELY FILED, UNTIL FOUR MONTHS AFTER THE TAX APPEALS TRIBUNAL HAS GIVEN NOTICE OF ITS DECISION TO THE PERSON AGAINST WHOM THE ASSESSMENT IS MADE; PROVIDED, HOWEVER, SUCH PROPERTY MAY BE SOLD AT ANY TIME IF SUCH PERSON HAS FAILED TO ATTEND A HEARING OF WHICH HE OR SHE HAS BEEN DULY NOTIFIED, OR IF HE OR SHE CONSENTS TO THE SALE, OR IF THE COMMISSIONER DETERMINES THAT THE EXPENSES OF CONSERVATION AND MAINTENANCE WILL GREATLY REDUCE THE NET PROCEEDS, OR IF THE PROPERTY IS PERISHABLE.

S 2. This act shall take effect immediately.

PART X

Section 1. Paragraph 2 of subdivision (e) of section 1105 of the tax law, as amended by section 1 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

(2) Except as provided in subdivision (r) of section eleven hundred eleven of this part, when occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, the separate sale of which is not subject to tax under this article, AND THE RENT PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN SUBDIVISION (KK) OF SECTION ELEVEN HUNDRED FIFTEEN OF THIS ARTICLE, the entire consideration shall be treated as rent subject to tax under paragraph one of this subdivision; provided, however, that where the amount of the rent for occupancy is stated separately from the price of such property, services, amusement charges, or other items, on any sales slip, invoice, receipt, or other statement given the occupant, and such rent is reasonable in relation to the value of such property, services, amusement charges or other items, only such separately stated rent will be subject to tax under paragraph one of this subdivision.

S 2. Section 1115 of the tax law is amended by adding a new subdivision (kk) to read as follows:

(KK) RENT PAID BY A ROOM REMARKETER TO AN OPERATOR THAT IS NOT A ROOM REMARKETER FOR AN OCCUPANCY THAT THE ROOM REMARKETER INTENDS TO PROVIDE TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE HOTEL UNIT FEE IMPOSED BY SECTION ELEVEN HUNDRED FOUR OF THIS ARTICLE AND THE TAX IMPOSED BY SUBDIVISION (E) OF SECTION ELEVEN HUNDRED FIVE OF THIS ARTICLE, PROVIDED THAT SUCH ROOM REMARKETER FURNISHES SUCH OPERATOR A CERTIFICATE IN SUCH FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSIONER. THE EXEMPTION CERTIFICATE PROVIDED FOR BY THIS SUBDIVISION SHALL BE ADMINISTERED BY THE COMMISSIONER IN CONFORMITY WITH THE RULES FOR EXEMPTION OR RESALE CERTIFICATES IN SUBPARAGRAPH (I) OF PARAGRAPH ONE OF SUBDIVISION (C) OF SECTION ELEVEN HUNDRED THIRTY-TWO OF THIS ARTICLE.

S 3. Paragraph 4 of subdivision a of section 11-2502 of the administrative code of the city of New York, as amended by section 4 of part Q of chapter 59 of the laws of 2012, is amended to read as follows:

(4) (i) When occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, the separate sale of which is not subject to tax under this chapter, AND THE RENT PAID FOR SUCH OCCUPANCY DOES NOT QUALIFY FOR THE EXEMPTION IN SUBDIVISION 1 OF THIS SECTION, the entire consideration shall be treated as rent subject to tax under paragraph one of this subdivision; provided, however, that where the amount of the rent for occupancy is stated separately from the price of such property, services, amusement charges or other items on any sales slip, invoice, receipt, or other statement given the occupant and such rent is reasonable in relation to the value of such property, services, amusement charges, or other items, only such separately stated rent will be subject to tax under this subdivision.

(ii) In regard to the collection of tax on occupancies by remarketers, when occupancy is provided, for a single consideration, with property, services, amusement charges, or any other items, whether or not such other items are taxable, the rent portion of the consideration for such sale shall be computed as follows: the total consideration for the sale multiplied by a fraction, the numerator of which shall be the consideration paid to the hotel for the occupancy and the denominator of which shall be the consideration paid to the hotel for the occupancy plus the consideration paid to the providers of the other items being sold, or by any other reasonable method pursuant to which the rent portion of consideration would be no less than the computation of rent portion of consideration under subparagraph (i) of this paragraph. Nothing herein shall be construed to subject to tax or exempt from tax any service or property or amusement charge or other items otherwise subject to tax or exempt from tax under this chapter.

S 4. Section 11-2502 of the administrative code of the city of New York is amended by adding a new subdivision 1 to read as follows:

1. AN OCCUPANCY THAT AN OPERATOR CONVEYS OR FURNISHES TO A ROOM REMARKETER THAT THE ROOM REMARKETER INTENDS TO CONVEY OR FURNISH, DIRECTLY OR INDIRECTLY, TO AN OCCUPANT FOR RENT SHALL BE EXEMPT FROM THE TAXES IMPOSED BY THIS SECTION, PROVIDED THAT SUCH ROOM REMARKETER FURNISHES THE OPERATOR WITH A CERTIFICATE IN SUCH FORM AND CONTAINING SUCH INFORMATION AS MAY BE PRESCRIBED BY THE COMMISSIONER OF FINANCE. THE OPERATOR SHALL RETAIN SUCH STATEMENT AND PROVIDE IT TO THE COMMISSIONER OF FINANCE UPON REQUEST.

S 5. This act shall take effect immediately and apply to rent paid for occupancies on or after June 1, 2016.

PART Y

Section 1. The section heading of section 951-a of the tax law, as added by chapter 190 of the laws of 1990, is amended to read as follows:

[Definitions] GENERAL PROVISIONS AND DEFINITIONS.

S 2. Section 951-a of the tax law is amended by adding a new subsection (f) to read as follows:

(F) TAX TREATMENT OF CHARITABLE CONTRIBUTIONS FOR DETERMINING DOMICILE. NOTWITHSTANDING ANY OTHER PROVISION OF ANY OTHER LAW TO THE CONTRARY, THE MAKING OF A FINANCIAL CONTRIBUTION, GIFT, BEQUEST, DONATION OR ANY OTHER FINANCIAL INSTRUMENT OR PLEDGE IN ANY AMOUNT OR THE DONATION OR LOAN OF ANY OBJECT OF ANY VALUE, OR THE VOLUNTEERING, GIVING OR DONATION OF UNCOMPENSATED TIME, OR ANY COMBINATION OF THE

FOREGOING, CONSIDERED A CHARITABLE CONTRIBUTION UNDER SUBSECTION (C) OF SECTION ONE HUNDRED SEVENTY OF THE INTERNAL REVENUE CODE, OR TO A NOT-FOR-PROFIT ORGANIZATION, AS DEFINED IN SUBDIVISION SEVEN OF SECTION ONE HUNDRED SEVENTY-NINE-Q OF THE STATE FINANCE LAW, SHALL NOT BE USED IN ANY MANNER TO DETERMINE WHERE AN INDIVIDUAL IS DOMICILED AT THE TIME OF HIS OR HER DEATH.

S 3. This act shall take effect immediately.

PART Z

Section 1. Subdivision 2 of section 89-b of the state finance law, as amended by chapter 56 of the laws of 1993, is amended to read as follows:

2. The dedicated highway and bridge trust fund shall consist of [two] THREE accounts: (a) the special obligation reserve and payment account; [and] (b) the highway and bridge capital account; AND (C) THE AVIATION PURPOSE ACCOUNT. Moneys in each account shall be kept separate and not commingled with any other moneys in the custody of the comptroller.

S 2. Section 89-b of the state finance law is amended by adding a new subdivision 4-a to read as follows:

4-A. (A) THE AVIATION PURPOSE ACCOUNT SHALL CONSIST OF ALL MONEYS REQUIRED TO BE DEPOSITED BY SECTION THREE HUNDRED TWELVE OF THE TAX LAW AND ANY OTHER MONEYS CREDITED OR TRANSFERRED THERETO FROM ANY OTHER FUND, ACCOUNT OR SOURCE.

(B) MONEYS IN THE AVIATION PURPOSE ACCOUNT SHALL BE UTILIZED FOR AIRPORTS AND AVIATION FACILITIES AND EQUIPMENT AND RELATED PROJECTS, INCLUDING BUT NOT LIMITED TO THE ACQUISITION OF REAL OR TANGIBLE PERSONAL PROPERTY, CONSTRUCTION, RECONSTRUCTION, RECONDITIONING, PRESERVATION, MAINTENANCE OR IMPROVEMENT OF AIRPORT OR AVIATION CAPITAL FACILITIES AND NOISE MITIGATION PROJECTS, AND ANY OTHER PURPOSE NOT PROHIBITED BY FEDERAL LAW.

S 3. Section 312 of the tax law, as amended by section 32 of part K of chapter 61 of the laws of 2011, is amended to read as follows:

S 312. Deposit and disposition of revenue.-- (a) Except as otherwise provided, of all taxes, interest and penalties collected or received on or after April first, two thousand one, from the taxes imposed by [sections] SECTION three hundred one-a [and three hundred one-e] of this article, (i) initially eighty and three-tenths percent shall be deposited, as prescribed by subdivision (d) of section three hundred one-j of this article and (ii) nineteen and seven-tenths percent shall be deposited in such mass transportation operating assistance fund to the credit of the metropolitan mass transportation operating assistance account and the public transportation systems operating assistance account thereof in the manner provided by subdivision eleven of section one hundred eighty-two-a of this chapter. Provided, further that on or before the twenty-fifth day of each month commencing with April, two thousand one, the comptroller shall deduct the amount of six hundred twenty-five thousand dollars prior to any deposit or disposition of the taxes, interest, and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall deposit such amount in the dedicated fund accounts pursuant to subdivision (d) of section three hundred one-j of this article. Provided, further, that commencing January fifteenth, nineteen hundred ninety-one, and on or before the tenth day of March and the fifteenth day of June and September of such year, the commissioner shall, based on information supplied by taxpayers and other appropriate sources, estimate the amount of the

utility credit authorized by section three hundred one-d of this article which has been accrued to reduce tax liability under section one hundred eighty-six-a of this chapter during the period covered by such estimate and certify to the state comptroller such estimated amount. The comptroller shall forthwith, after receiving such certificate, deduct the amount of such credit so certified by the commissioner prior to any deposit or disposition of the taxes, interest and penalties collected or received pursuant to such [sections] SECTION three hundred one-a [and three hundred one-e] and shall pay such amount so certified and deducted into the state treasury to the credit of the general fund. Also, subsequently, during the fiscal year when the commissioner becomes aware of changes or modifications with respect to actual credit usage, the commissioner shall, as soon as practicable, issue a certification setting forth the amount of any required adjustment to the amount of actual credit usage previously certified. After receiving the certificate of the commissioner with respect to actual credit usage or modification of the same, the comptroller shall forthwith adjust general fund receipts and the revenues to be deposited or disposed of under this article to reflect the difference so certified by the commissioner. The commissioner shall not be liable for any overestimate or underestimate of the amount of the utility credit which has been accrued to reduce tax liability under such section one hundred eighty-six-a. Nor shall the commissioner be liable for any inaccuracy in any certificate with respect to the amount of such credit actually used or any required adjustment with respect to actual credit usage, but the commissioner shall as soon as practicable after discovery of any error adjust the next certification under this section to reflect any such error.

Prior to making deposits as provided in this section, the comptroller shall retain such amount as the commissioner may determine to be necessary, subject to the approval of the director of the budget, for reasonable costs of the department in administering and collecting the taxes deposited pursuant to this section and for refunds and reimbursements with respect to such taxes, out of which the comptroller shall pay any refunds or reimbursements of such taxes to which taxpayers shall be entitled.

(B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ALL TAXES, INTEREST, AND PENALTIES COLLECTED OR RECEIVED ON OR AFTER DECEMBER FIRST, TWO THOUSAND SEVENTEEN FROM THE TAXES IMPOSED BY SECTION THREE HUNDRED ONE-E OF THIS ARTICLE SHALL BE DEPOSITED IN THE AVIATION PURPOSE ACCOUNT OF THE DEDICATED HIGHWAY AND BRIDGE TRUST FUND ESTABLISHED BY SECTION EIGHTY-NINE-B OF THE STATE FINANCE LAW.

S 4. Paragraph 1 of subdivision (a) of section 1102 of the tax law, as amended by chapter 261 of the laws of 1988, is amended to read as follows:

(1) Every distributor of motor fuel shall pay, as a prepayment on account of the taxes imposed by this article and pursuant to the authority of article twenty-nine of this chapter, a tax on each gallon of motor fuel (i) which he imports or causes to be imported into this state for use, distribution, storage or sale in the state or produces, refines, manufactures or compounds in this state or (ii) if the tax has not been imposed prior to its sale in this state, which he sells (which acts shall in regard to motor fuel hereinafter in this article be encompassed by the phrase "imported, manufactured or sold"), except when imported, manufactured or sold under circumstances which preclude the collection of such tax by reason of the United States constitution and of the laws of the United States enacted pursuant thereto or when

imported or manufactured by an organization described in paragraph one or two of subdivision (a) of section eleven hundred sixteen of this article or a hospital included in the organizations described in paragraph four of such subdivision for its own use and consumption and except kero-jet fuel when imported by an airline for use in its airplanes, AND EXCEPT AVIATION GASOLINE SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT.

S 5. Subparagraph (i) of paragraph 1 of subdivision (a) of section 1210 of the tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, is amended to read as follows:

(i) Any local law, ordinance or resolution enacted by any city of less than one million or by any county or school district, imposing the taxes authorized by this subdivision, shall, notwithstanding any provision of law to the contrary, exclude from the operation of such local taxes all sales of tangible personal property for use or consumption directly and predominantly in the production of tangible personal property, gas, electricity, refrigeration or steam, for sale, by manufacturing, processing, generating, assembly, refining, mining or extracting; and all sales of tangible personal property for use or consumption predominantly either in the production of tangible personal property, for sale, by farming or in a commercial horse boarding operation, or in both; AND ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT; and, unless such city, county or school district elects otherwise, shall omit the provision for credit or refund contained in clause six of subdivision (a) or subdivision (d) of section eleven hundred nineteen of this chapter.

S 6. Subparagraphs (xii) and (xiii) of paragraph 4 of subdivision (a) of section 1210 of tax law, as amended by section 3 of part Z of chapter 59 of the laws of 2015, are amended and a new subparagraph (xiv) is added to read as follows:

(xii) shall omit, unless such city elects otherwise, the exemption for residential solar energy systems equipment and electricity provided in subdivision (ee) of section eleven hundred fifteen of this chapter; [and] (xiii) shall omit, unless such city elects otherwise, the exemption for commercial solar energy systems equipment and electricity provided in subdivision (ii) of section eleven hundred fifteen of this chapter; AND (XIV) SHALL EXCLUDE FROM THE OPERATION OF SUCH LOCAL TAXES ALL SALES OF FUEL SOLD FOR USE IN COMMERCIAL AIRCRAFT AND GENERAL AVIATION AIRCRAFT. Any reference in this chapter or in any local law, ordinance or resolution enacted pursuant to the authority of this article to former subdivisions (n) or (p) of this section shall be deemed to be a reference to clauses (xii) or (xiii) of this paragraph, respectively, and any such local law, ordinance or resolution that provides the exemptions provided in such former subdivisions (n) and/or (p) shall be deemed instead to provide the exemptions provided in clauses (xii) and/or (xiii) of this paragraph.

S 7. Notwithstanding any law to the contrary, the comptroller is hereby authorized and directed to transfer from the general fund for deposit into the mass transportation operating assistance fund, pursuant to section 88-a of the state finance law and the dedicated mass transportation trust fund, pursuant to section 89-c of the state finance law, upon request of the director of the budget, on or before March 31 of each year, an amount equal to the amount of revenue received by the commissioner of taxation and finance during the state fiscal year from petroleum business taxes imposed pursuant to the authority of section 301-e of the tax law that would have otherwise been directed to such funds

pursuant to section 312 of the tax law as such section was in effect on the day before this act became a law.

S 8. Sections one, two and seven of this act shall take effect April 1, 2017; provided however that sections three, four, five and six of this act shall take effect December 1, 2017; and provided further that if section 19 of part W1 of chapter 109 of the laws of 2006 shall have not expired on or before such date then section four of this act shall take effect on the same date and in the same manner as such chapter of the laws of 2006 takes effect.

PART AA

Section 1. Subdivision 2 of section 228 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, the opening paragraph as amended by chapter 236 of the laws of 2015, is amended to read as follows:

2. The New York state gaming commission shall, as a condition of racing, require any franchised corporation and every other corporation subject to its jurisdiction to withhold one percent of all purses, except that for the franchised corporation, starting on September first, two thousand seven and continuing through August thirty-first, two thousand sixteen, two percent of all purses shall be withheld, and, in the case of the franchised corporation, to pay such sum to the horsemen's organization or its successor that was first entitled to receive payments pursuant to this section in accordance with rules of the commission adopted effective November third, nineteen hundred eighty-three representing at least fifty-one percent of the owners and trainers [utilizing] USING the facilities of such franchised corporation, on the condition that such horsemen's organization shall expend [as much as is necessary, but not to exceed] one-half of one percent of such total sum[,] TO CONDUCT EQUINE DRUG TESTING RESEARCH AND to acquire and maintain the equipment required to [establish a program at a state college within this state with an approved equine science program to] test for the presence of DRUGS, INCLUDING BUT NOT LIMITED TO steroids, in horses AT A SUITABLE LABORATORY, AS THE GAMING COMMISSION MAY DETERMINE IN ITS DISCRETION, provided further that the qualified organization shall also, in an amount to be determined by its board of directors, annually include in its expenditures for benevolence programs, funds to support an organization providing services necessary to backstretch employees, and, in the case of every other corporation, to pay such one percent sum of purses to the horsemen's organization or its successor that was first entitled to receive payments pursuant to this section in accordance with rules of the commission adopted effective May twenty-third, nineteen hundred eighty-six representing at least fifty-one percent of the owners and trainers [utilizing] USING the facilities of such corporation.

In either case, any other horsemen's organization may apply to the [board] COMMISSION to be approved as the qualified organization to receive payment of the one percent of all purses by submitting to the [board] COMMISSION proof of both, that (i) it represents more than fifty-one percent of all the owners and trainers [utilizing] USING the same facilities and (ii) the horsemen's organization previously approved as qualified by the [board] COMMISSION does not represent fifty-one percent of all the owners and trainers [utilizing] USING the same facilities. If the [board] COMMISSION is satisfied that the documentation submitted with the application of any other horsemen's organization is

conclusive with respect to items (i) and (ii) of this paragraph, it may approve the applicant as the qualified recipient organization.

In the best interests of racing, upon receipt of such an application, the [board] COMMISSION may direct the payments to the previously qualified horsemen's organization to continue uninterrupted, or it may direct the payments to be withheld and placed in interest-bearing accounts for a period not to exceed ninety days, during which time the [board] COMMISSION shall review and approve or disapprove the application. Funds held in such manner shall be paid to the organization approved by the [board] COMMISSION. In no event shall the [board] COMMISSION accept more than one such application in any calendar year from the same horsemen's organization.

The funds authorized to be paid by the [board] COMMISSION are to be used exclusively for the benefit of those horsemen racing in New York state through the administrative purposes of such qualified organization, benevolent activities on behalf of backstretch employees, and for the promotion of equine research.

S 2. Section 902 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 60 of the laws of 1993, subdivision 1 as amended by chapter 15 of the laws of 2010, and subdivision 2 as amended by chapter 18 of the laws of 2008, is amended to read as follows:

S 902. Equine drug testing and expenses. 1. In order to assure the public's confidence and continue the high degree of integrity in racing at the pari-mutuel betting tracks, equine drug testing at race meetings shall be conducted by a [state college within this state with an approved equine science program] SUITABLE LABORATORY, AS THE GAMING COMMISSION MAY DETERMINE IN ITS DISCRETION. The [state racing and wagering board] GAMING COMMISSION shall promulgate any rules and regulations necessary to implement the provisions of this section, including administrative penalties of loss of purse money, fines, or denial, suspension[,] or revocation of a license for racing drugged horses.

2. Notwithstanding any inconsistent provision of law, all costs and expenses of the [state racing and wagering board] GAMING COMMISSION for equine drug testing and research shall be paid from an appropriation from the state treasury, on the certification of the [chairman] CHAIR of the [state racing and wagering board] GAMING COMMISSION, upon the audit and warrant of the comptroller and pursuant to a plan developed by the [state racing and wagering board] GAMING COMMISSION as approved by the director of the budget.

S 3. This act shall take effect immediately; provided, however, section two of this act shall take effect upon expiration of an existing contract with a New York state college within the state with an approved equine science program, pursuant to section 902 of the racing, pari-mutuel wagering and breeding law; provided that the gaming commission shall notify the legislative bill drafting commission upon the occurrence of the enactment of the legislation provided for in section two of this act in order that the commission may maintain an accurate and timely effective data base of the official text of the laws of the state of New York in furtherance of effectuating the provisions of section 44 of the legislative law and section 70-b of the public officers law.

PART BB

Section 1. Subdivision 1 of section 236 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

1. Every corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting on races run thereat, except as provided in section two hundred thirty-eight of this article with respect to the franchised corporation, shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, providing such tickets be presented for payment before April first of the year following the year of their purchase, less an amount [which] THAT shall be established and retained by such racing corporation of between fourteen to twenty [per centum] PERCENT of the total deposits in pools resulting from regular on-track bets and less sixteen to twenty-two [per centum] PERCENT of the total deposits in pools resulting from multiple on-track bets and less twenty to thirty [per centum] PERCENT of the total deposits in pools resulting from exotic on-track bets and less twenty to thirty-six [per centum] PERCENT of the total pools resulting from super exotic on-track bets, plus the breaks. The retention rate to be established is subject to the prior approval of the [racing and wagering board] GAMING COMMISSION. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter and breaks are hereby defined as [the odd cents over any multiple of ten, or for exotic bets over any multiple of fifty, or for super exotic bets, over any multiple of one hundred, calculated on the basis of one dollar, otherwise payable to a patron provided, however, that effective after October fifteenth, nineteen hundred ninety-four breaks are hereby defined as] the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. Of the amount so retained there shall be paid by such corporation to the department of taxation and finance as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meeting held by such corporation, which tax is hereby levied, the following percentages of the total pool, plus fifty-five [per centum] PERCENT of the breaks; the applicable rates for regular and multiple bets shall be one and one-half [per centum] PERCENT; the applicable rates for exotic bets shall be six and three-quarter [per centum] PERCENT and the applicable rate for super exotic bets shall be seven and three-quarter [per centum] PERCENT. Effective on and after September first, nineteen hundred ninety-four, the applicable tax rate shall be one [per centum] PERCENT of all wagers, provided that, an amount equal to one-half the difference between the taxation rate for on-track regular, multiple and exotic bets as of December thirty-first, nineteen hundred ninety-three and the rates on such on-track wagers as herein provided shall be used exclusively for purses. Provided, however, that for any twelve-month period beginning on April first in nineteen hundred ninety and any year thereafter, each of the applicable rates set forth above shall be increased by one-quarter of one [per centum] PERCENT on all on-track bets of any such racing corporation that did not expend an amount equal to at least one-half of one [per centum] PERCENT of its on-track bets during the immediately preceding calendar year for enhancements consisting of capital improvements as defined by section two hundred thirty-seven of this article, repairs to its physical plant,

structures, and equipment used in its racing or wagering operations as certified by the [state racing and wagering board] GAMING COMMISSION to the commissioner of taxation and finance no later than eighty days after the close of such calendar year, and five special events at each track in each calendar year, not otherwise conducted in the ordinary course of business, the purpose of which shall be to encourage, attract and promote track attendance and encourage new and continued patronage, which events shall be [approved by the racing and wagering board] SUBJECT TO THE PRIOR APPROVAL OF THE GAMING COMMISSION for purposes of this subdivision. In the determination of the amounts expended for such enhancements, the [board] GAMING COMMISSION may consider the immediately preceding [twelve month] TWELVE-MONTH calendar period or the average of the two immediately preceding [twelve month] TWELVE-MONTH calendar periods. Provided further, however, that of the portion of the increased amounts retained by such corporation above those amounts retained in nineteen hundred eighty-four, an amount of such increase shall be distributed to purses in the same proportion as commissions and purses were distributed during nineteen hundred eighty-four as certified by the [board] GAMING COMMISSION. Such corporation in the second zone shall receive a credit against the daily tax imposed by this subdivision in an amount equal to FOUR-TENTHS OF one [per centum] PERCENT of total daily pools resulting from the simulcast of such corporation's races to licensed facilities operated by regional off-track betting corporations in accordance with section one thousand eight of this chapter, provided however, that sixty [per centum] PERCENT of the amount of such credit shall be used exclusively to increase purses for overnight races conducted by such corporation; and, provided further, that in no event shall such total daily credit exceed FOUR-TENTHS OF one [per centum] PERCENT of the total daily pool of such corporation. [Provided, however, that on and after September first, nineteen hundred ninety-four such credit shall be four-tenths percent of total daily pools resulting from such simulcasting and that in no event shall such total daily credit equal four-tenths percent of the total daily pool of such corporation.]

Such corporation shall pay to the New York state thoroughbred breeding and development fund one-half of one [per centum] PERCENT of the total daily on-track pari-mutuel pools from regular, multiple and exotic bets, and three [per centum] PERCENT of super exotic bets. The corporation shall receive credit as a reduction of the tax by the state for the privilege of conducting pari-mutuel betting for the amounts, except amounts paid from super exotic betting pools, paid to the New York state thoroughbred breeding and development fund after January first, nineteen hundred seventy-eight.

Such corporation shall distribute to purses an amount equal to fifty [per centum] PERCENT of any compensation it receives from simulcasting or from wagering conducted outside the United States. Such corporation shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one [per centum] PERCENT of the total daily on-track pari-mutuel pools of such corporation.

S 2. Paragraph (d) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

(d) (I) The pari-mutuel tax rate authorized by paragraph (a) of this subdivision shall be effective so long as a franchised corporation notifies the [racing and wagering board] GAMING COMMISSION by August fifteenth of each year that such pari-mutuel tax rate is effective of

its intent to conduct a race meeting at Aqueduct racetrack during the months of December, January, February, March and April. For purposes of this paragraph such race meeting shall consist of not less than ninety-five days of racing. Not later than May first of each year that such pari-mutuel tax rate is effective, the [racing and wagering board] GAMING COMMISSION shall determine whether a race meeting at Aqueduct racetrack consisted of the number of days as required by this paragraph. In determining the number of race days, cancellation of a race day because of an act of God[, which] THAT the [racing and wagering board] GAMING COMMISSION approves or because of weather conditions that are unsafe or hazardous which the [racing and wagering board] GAMING COMMISSION approves shall not be construed as a failure to conduct a race day. Additionally, cancellation of a race day because of circumstances beyond the control of such franchised corporation for which the [racing and wagering board] GAMING COMMISSION gives approval shall not be construed as a failure to conduct a race day. If the [racing and wagering board] GAMING COMMISSION determines that the number of days of racing as required by this paragraph have not occurred then the pari-mutuel tax rate in paragraph (a) of this subdivision shall revert to the pari-mutuel tax rates in effect prior to January first, nineteen hundred ninety-five.

(II) Such franchised corporation shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one [per centum] PERCENT of the total daily on-track pari-mutuel pools of such franchised corporation.

S 3. Paragraph d of subdivision 1 of section 318 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part B of chapter 59 of the laws of 2005, is amended to read as follows:

d. Every harness racing association or corporation shall pay to the [board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily on-track pari-mutuel pools of such association or corporation.

S 4. The opening paragraph and the opening paragraph of subdivision 1 of section 527 of the racing, pari-mutuel wagering and breeding law, the opening paragraph as amended by chapter 18 of the laws of 2008 and the opening paragraph of subdivision 1 as amended by chapter 300 of the laws of 2015, are amended to read as follows:

Each regional corporation conducting off-track betting shall distribute all sums deposited in any pari-mutuel pool through such corporation to the holders of winning tickets therein, providing such tickets be presented for payment prior to April first of the year following the year of their purchase, less an amount [which] THAT it shall retain at the same rate established by the track accepting wagers from each such regional corporation.

The disposition of the retained commission from pools resulting from regular, multiple or exotic bets, as the case may be, whether placed on races run within a region or outside a region, conducted by racing corporations, harness racing associations or corporations, quarter horse racing associations or corporations or races run outside the state shall be governed by the tables in paragraphs a and b of this subdivision. The rate denominated "state tax" shall represent the rate of a reasonable tax imposed upon the retained commission for the privilege of conducting off-track pari-mutuel betting, which tax is hereby levied and shall be payable in the manner set forth in this section. Each off-track betting corporation shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths]

SIX-TENTHS of one percent of the total daily pools of such corporation. Each corporation shall also pay twenty [per centum] PERCENT of the breaks derived from bets on harness races and fifty [per centum] PERCENT of the breaks derived from bets on all other races to the agriculture and New York State horse breeding and development fund and to the thoroughbred breeding and development fund, the total of such payments to be apportioned fifty [per centum] PERCENT to each such fund. For the purposes of this section, the New York city, Suffolk, Nassau, and the Catskill regions shall constitute a single region and any thoroughbred track located within the Capital District region shall be deemed to be within such single region. A "regional meeting" shall refer to either harness or thoroughbred meetings, or both, except that a franchised corporation shall not be a regional track for the purpose of receiving distributions from bets on thoroughbred races conducted by a thoroughbred track in the Catskill region conducting a mixed meeting. With the exception of a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Tioga or Saratoga county after January first, two thousand five, racing corporations first licensed to conduct pari-mutuel racing after January first, nineteen hundred eighty-six or a harness racing association or corporation first licensed to conduct pari-mutuel wagering at a track located in Genesee County after January first, two thousand five, and quarter horse tracks shall not be "regional tracks"; if there is more than one harness track within a region, such tracks shall evenly divide payments made pursuant to the tables in paragraphs a and b of this subdivision when neither track is running. In the event a track elects to reduce its retained percentage from any or all of its pari-mutuel pools, the payments to the track holding the race and the regional track required by paragraphs a and b of this subdivision shall be reduced in proportion to such reduction. Nothing in this section shall be construed to authorize the conduct of off-track betting contrary to the provisions of section five hundred twenty-three of this article.

S 5. Paragraph a of subdivision 1 of section 904 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, are amended to read as follows:

a. The applicable state tax provided for in paragraphs a and b of subdivision one of section five hundred twenty-seven of this chapter shall be one-half [per centum] PERCENT for regular, multiple and exotic bets. Any harness racing or association or corporation, or thoroughbred racing corporation authorized pursuant to this section shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily pari-mutuel pools.

S 6. Paragraph g of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

g. Any harness racing or association or corporation, or thoroughbred racing corporation authorized pursuant to this section shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily pari-mutuel pools.

S 7. Paragraph b of subdivision 3 of section 1008 of the racing, pari-mutuel wagering and breeding law, as amended by section 7 of part B of chapter 59 of the laws of 2005, is amended to read as follows:

b. Of the sums received by the sending track, fifty percent shall be distributed to purses in addition to moneys distributed pursuant to

section five hundred twenty-seven of this chapter. The off-track betting corporation shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily pools.

S 8. Paragraph d of subdivision 4 of section 1009 of the racing, pari-mutuel wagering and breeding law, as amended by section 8 of part B of chapter 59 of the laws of 2005, is amended to read as follows:

d. The operator shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily pools.

S 9. Subparagraph (iv) of paragraph i of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

(iv) Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation authorized pursuant to this section shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of all wagering pools.

S 10. Paragraph e of subdivision 3 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

e. Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation authorized pursuant to this section shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of all wagering pools.

S 11. Clause (B) of subparagraph 2 of paragraph b of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

(B) Any harness racing or association or corporation or thoroughbred racing corporation authorized pursuant to this section shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of the total daily pari-mutuel pools.

S 12. Paragraph b of subdivision 2 of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by chapter 18 of the laws of 2008, is amended to read as follows:

b. Any thoroughbred racing corporation or harness racing association or corporation or off-track betting corporation shall pay to the [racing and wagering board] GAMING COMMISSION as a regulatory fee, which fee is hereby levied, [fifty hundredths] SIX-TENTHS of one percent of all wagering pools.

S 13. Paragraph 2 of subdivision b of section 1612 of the tax law, as amended by section 1 of part OO of chapter 59 of the laws of 2014, is amended to read as follows:

2. As consideration for the operation of a video lottery gaming facility, the division, shall cause the investment in the racing industry of a portion of the vendor fee received pursuant to paragraph one of this subdivision in the manner set forth in this subdivision. With the exception of Aqueduct racetrack or a facility in the county of Nassau or Suffolk operated by a corporation established pursuant to section five hundred two of the racing, pari-mutuel wagering and breeding law, each such track shall dedicate a portion of its vendor fees, received pursuant to clause (A), (B), (C), (D), (E), (F), or (G) of subparagraph (ii) of paragraph one of this subdivision, for the purpose of enhancing purs-

es at such track, in an amount equal to eight and three-quarters percent of the total revenue wagered at the vendor track after [pay out] PAYOUT for prizes. One AND SIX-TENTHS percent of the gross purse enhancement amount, as required by this subdivision, shall be paid to the gaming commission to be used exclusively to promote and ensure equine health and safety in New York. Any portion of such funding to the gaming commission unused during a fiscal year shall be returned to the video lottery gaming operators on a pro rata basis in accordance with the amounts originally contributed by each operator and shall be used for the purpose of enhancing purses at such track. One and one-half percent of the gross purse enhancement amount at a thoroughbred track, as required by this subdivision, shall be paid to an account established pursuant to section two hundred twenty-one-a of the racing, pari-mutuel wagering and breeding law to be used exclusively to provide health insurance for jockeys. In addition, with the exception of Aqueduct racetrack or a facility in the county of Nassau or Suffolk operated by a corporation established pursuant to section five hundred two of the racing, pari-mutuel wagering and breeding law, one and one-quarter percent of total revenue wagered at the vendor track after [pay out] PAYOUT for prizes, received pursuant to clause (A), (B), (C), (D), (E), (F), or (G) of subparagraph (ii) of paragraph one of this subdivision, shall be distributed to the appropriate breeding fund for the manner of racing conducted by such track.

Provided, further, that nothing in this paragraph shall prevent each track from entering into an agreement, not to exceed five years, with the organization authorized to represent its horsemen to increase or decrease the portion of its vendor fee dedicated to enhancing purses at such track during the years of participation by such track, or to race fewer dates than required herein.

S 14. Paragraph 1 of subdivision f of section 1612 of the tax law, as amended by section 2 of part OO of chapter 59 of the laws of 2014, is amended to read as follows:

1. [Six] SEVEN and one-half percent of the total wagered after payout of prizes for the [first year of] operation of video lottery gaming at Aqueduct racetrack, [seven percent of the total wagered after payout of prizes for the second year of operation, and seven and one-half percent of the total wagered after payout of prizes for the third year of operation and thereafter,] for the purpose of enhancing purses at Aqueduct racetrack, Belmont Park racetrack and Saratoga race course. One AND SIX-TENTHS percent of the gross purse enhancement amount, as required by this subdivision, shall be paid to the gaming commission to be used exclusively to promote and ensure equine health and safety in New York. Any portion of such funding to the gaming commission unused during a fiscal year shall be returned on a pro rata basis in accordance with the amounts originally contributed and shall be used for the purpose of enhancing purses at such tracks. One and one-half percent of the gross purse enhancement amount, as required by this subdivision, shall be paid to an account established pursuant to section two hundred twenty-one-a of the racing, pari-mutuel wagering and breeding law to be used exclusively to provide health insurance for jockeys.

S 15. This act shall take effect immediately.

PART CC

Section 1. Section 308 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part Y of chapter 58 of the laws of 2012, is amended to read as follows:

S 308. Officials at harness horse race meetings. 1. At all harness race meetings licensed by the [state racing and wagering board] GAMING COMMISSION in accordance with the provisions of sections two hundred twenty-two through seven hundred five of this chapter qualified judges and starters shall be designated by the [state racing and wagering board] GAMING COMMISSION. Such officials shall enforce the rules and regulations of the [state racing and wagering board] GAMING COMMISSION and shall render regular written reports of the activities and conduct of such race meetings to the [state racing and wagering board] GAMING COMMISSION.

2. The licensed racing corporations shall reimburse the [state racing and wagering board] GAMING COMMISSION for the per diem cost to the [board] COMMISSION to employ one associate judge and the starter to serve at harness race meetings. The [board] COMMISSION shall notify EACH such licensed racing [corporations] CORPORATION of the per diem cost of the associate judge and the starter [prior to the beginning] AT THE TRACK OF SUCH LICENSED RACING CORPORATION WITHIN SIXTY DAYS OF THE END of each month. Payment of the reimbursement required by this section shall be made to the [board] COMMISSION by each entity required to make such payments [on the last business day of each month] WITHIN THIRTY DAYS OF SUCH NOTIFICATION BY THE COMMISSION and shall cover all the costs incurred during that month. A penalty of five percent of payment due, and interest at the rate of one percent per month calculated from such [last day of each month] DATE THAT PAYMENT IS DUE to the date of the payment of the per diem cost shall be payable in case any per diem cost imposed by this subdivision is not paid when due. The [board] COMMISSION shall promulgate rules and regulations to ensure the proper reimbursement of such costs.

3. The [board] COMMISSION shall pay into the racing regulation account, as defined in section ninety-nine-i of the state finance law, under the joint custody of the comptroller and the [board] COMMISSION, the total amount of the reimbursements collected pursuant to this section. With the approval of the director of the budget, monies [utilized] USED to pay the costs and expenses of the operations of the [board] COMMISSION shall be paid out of such account on the audit and warrant of the comptroller on vouchers, certified and approved by the director of the division of the budget or his or her duly designated official.

4. Any associate judge and starter whose per diem costs are reimbursed by a licensed racing corporation shall remain employees of the [state racing and wagering board] GAMING COMMISSION and shall retain all the rights and privileges of their current civil service jurisdictional classification and status and collective bargaining unit representation.

S 2. This act shall take effect immediately.

PART DD

Section 1. Subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law is amended by adding a new clause (G-2) to read as follows:

(G-2) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, WHEN A VENDOR TRACK IS LOCATED WITHIN REGION SIX OF DEVELOPMENT ZONE TWO AS DEFINED BY SECTION THIRTEEN HUNDRED TEN OF THE RACING, PARI-MUTUEL WAGERING AND

BREEDING LAW AND IS LOCATED WITHIN ONTARIO COUNTY, SUCH VENDOR TRACK SHALL RECEIVE AN ADDITIONAL COMMISSION AT A RATE EQUAL TO THE PERCENTAGE OF REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES PURSUANT TO THIS CHAPTER, WHICH PERCENTAGE SHALL BE ONE HUNDRED, LESS THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK RETAINED BY THE COMMISSION FOR OPERATION, ADMINISTRATION, AND PROCUREMENT PURPOSES; AND THE VENDOR'S FEE, MARKETING ALLOWANCE AND CAPITAL AWARD PAID TO THE VENDOR TRACK PURSUANT TO THIS CHAPTER; AND THE EFFECTIVE TAX RATE PAID ON ALL GROSS GAMING REVENUE PAID BY A GAMING FACILITY WITHIN SENECA OR WAYNE COUNTIES PURSUANT TO SECTION THIRTEEN HUNDRED FIFTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN SENECA OR WAYNE COUNTIES IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. THE ADDITIONAL COMMISSION SET FORTH IN THIS CLAUSE SHALL BE PAID TO THE VENDOR TRACK WITHIN SIXTY DAYS AFTER THE CONCLUSION OF THE STATE FISCAL YEAR BASED ON THE CALCULATED PERCENTAGE DURING THE PREVIOUS FISCAL YEAR.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2014.

PART EE

Section 1. Clause (F) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part WW of chapter 59 of the laws of 2015, is amended to read as follows:

(F) notwithstanding clauses (A), (B), (C), (D) and (E) of this subparagraph, when a vendor track, is located in Sullivan county and within sixty miles from any gaming facility in a contiguous state such vendor fee shall, for a period of [eight] NINE years commencing April first, two thousand eight, be at a rate of forty-one percent of the total revenue wagered at the vendor track after payout for prizes pursuant to this chapter, after which time such rate shall be as for all tracks in clause (C) of this subparagraph.

S 2. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after April 1, 2016.

PART FF

Section 1. Paragraph (a) of subdivision 1 of section 1003 of the racing, pari-mutuel wagering and breeding law, as amended by section 1 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

(a) Any racing association or corporation or regional off-track betting corporation, authorized to conduct pari-mutuel wagering under this chapter, desiring to display the simulcast of horse races on which pari-mutuel betting shall be permitted in the manner and subject to the conditions provided for in this article may apply to the commission for a license so to do. Applications for licenses shall be in such form as may be prescribed by the commission and shall contain such information or other material or evidence as the commission may require. No license shall be issued by the commission authorizing the simulcast transmission of thoroughbred races from a track located in Suffolk county. The fee for such licenses shall be five hundred dollars per simulcast facility and for account wagering licensees that do not operate either a simul-

cast facility that is open to the public within the state of New York or a licensed racetrack within the state, twenty thousand dollars per year payable by the licensee to the commission for deposit into the general fund. Except as provided in this section, the commission shall not approve any application to conduct simulcasting into individual or group residences, homes or other areas for the purposes of or in connection with pari-mutuel wagering. The commission may approve simulcasting into residences, homes or other areas to be conducted jointly by one or more regional off-track betting corporations and one or more of the following: a franchised corporation, thoroughbred racing corporation or a harness racing corporation or association; provided (i) the simulcasting consists only of those races on which pari-mutuel betting is authorized by this chapter at one or more simulcast facilities for each of the contracting off-track betting corporations which shall include wagers made in accordance with section one thousand fifteen, one thousand sixteen and one thousand seventeen of this article; provided further that the contract provisions or other simulcast arrangements for such simulcast facility shall be no less favorable than those in effect on January first, two thousand five; (ii) that each off-track betting corporation having within its geographic boundaries such residences, homes or other areas technically capable of receiving the simulcast signal shall be a contracting party; (iii) the distribution of revenues shall be subject to contractual agreement of the parties except that statutory payments to non-contracting parties, if any, may not be reduced; provided, however, that nothing herein to the contrary shall prevent a track from televising its races on an irregular basis primarily for promotional or marketing purposes as found by the commission. For purposes of this paragraph, the provisions of section one thousand thirteen of this article shall not apply. Any agreement authorizing an in-home simulcasting experiment commencing prior to May fifteenth, nineteen hundred ninety-five, may, and all its terms, be extended until June thirtieth, two thousand [sixteen] SEVENTEEN; provided, however, that any party to such agreement may elect to terminate such agreement upon conveying written notice to all other parties of such agreement at least forty-five days prior to the effective date of the termination, via registered mail. Any party to an agreement receiving such notice of an intent to terminate, may request the commission to mediate between the parties new terms and conditions in a replacement agreement between the parties as will permit continuation of an in-home experiment until June thirtieth, two thousand [sixteen] SEVENTEEN; and (iv) no in-home simulcasting in the thoroughbred special betting district shall occur without the approval of the regional thoroughbred track.

S 2. Subparagraph (iii) of paragraph d of subdivision 3 of section 1007 of the racing, pari-mutuel wagering and breeding law, as amended by section 2 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

(iii) Of the sums retained by a receiving track located in Westchester county on races received from a franchised corporation, for the period commencing January first, two thousand eight and continuing through June thirtieth, two thousand [sixteen] SEVENTEEN, the amount used exclusively for purses to be awarded at races conducted by such receiving track shall be computed as follows: of the sums so retained, two and one-half percent of the total pools. Such amount shall be increased or decreased in the amount of fifty percent of the difference in total commissions determined by comparing the total commissions available after July twenty-first, nineteen hundred ninety-five to the total commissions that

would have been available to such track prior to July twenty-first, nineteen hundred ninety-five.

S 3. The opening paragraph of subdivision 1 of section 1014 of the racing, pari-mutuel wagering and breeding law, as amended by section 3 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [sixteen] SEVENTEEN and on any day regardless of whether or not a franchised corporation is conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack after June thirtieth, two thousand [sixteen] SEVENTEEN. On any day on which a franchised corporation has not scheduled a racing program but a thoroughbred racing corporation located within the state is conducting racing, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that have entered into a written agreement with such facility's representative horsemen's organization, as approved by the commission), one thousand eight, or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state or foreign country subject to the following provisions:

S 4. Subdivision 1 of section 1015 of the racing, pari-mutuel wagering and breeding law, as amended by section 4 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

1. The provisions of this section shall govern the simulcasting of races conducted at harness tracks located in another state or country during the period July first, nineteen hundred ninety-four through June thirtieth, two thousand [sixteen] SEVENTEEN. This section shall supersede all inconsistent provisions of this chapter.

S 5. The opening paragraph of subdivision 1 of section 1016 of the racing, pari-mutuel wagering and breeding law, as amended by section 5 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

The provisions of this section shall govern the simulcasting of races conducted at thoroughbred tracks located in another state or country on any day during which a franchised corporation is not conducting a race meeting in Saratoga county at Saratoga thoroughbred racetrack until June thirtieth, two thousand [sixteen] SEVENTEEN. Every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven that have entered into a written agreement with such facility's representative horsemen's organization as approved by the commission, one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live full-card simulcast signal of thoroughbred tracks (which may include quarter horse or mixed meetings provided that all such wagering on such races shall be construed to be thoroughbred races) located in another state or foreign country, subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article:

S 6. The opening paragraph of section 1018 of the racing, pari-mutuel wagering and breeding law, as amended by section 6 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

Notwithstanding any other provision of this chapter, for the period July twenty-fifth, two thousand one through September eighth, two thousand [fifteen] SIXTEEN, when a franchised corporation is conducting a race meeting within the state at Saratoga Race Course, every off-track betting corporation branch office and every simulcasting facility licensed in accordance with section one thousand seven (that has entered into a written agreement with such facility's representative horsemen's organization as approved by the commission), one thousand eight or one thousand nine of this article shall be authorized to accept wagers and display the live simulcast signal from thoroughbred tracks located in another state, provided that such facility shall accept wagers on races run at all in-state thoroughbred tracks which are conducting racing programs subject to the following provisions; provided, however, no such written agreement shall be required of a franchised corporation licensed in accordance with section one thousand seven of this article.

S 7. Section 32 of chapter 281 of the laws of 1994, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting, as amended by section 7 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

S 32. This act shall take effect immediately and the pari-mutuel tax reductions in section six of this act shall expire and be deemed repealed on July 1, [2016] 2017; provided, however, that nothing contained herein shall be deemed to affect the application, qualification, expiration, or repeal of any provision of law amended by any section of this act, and such provisions shall be applied or qualified or shall expire or be deemed repealed in the same manner, to the same extent and on the same date as the case may be as otherwise provided by law; provided further, however, that sections twenty-three and twenty-five of this act shall remain in full force and effect only until May 1, 1997 and at such time shall be deemed to be repealed.

S 8. Section 54 of chapter 346 of the laws of 1990, amending the racing, pari-mutuel wagering and breeding law and other laws relating to simulcasting and the imposition of certain taxes, as amended by section 8 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

S 54. This act shall take effect immediately; provided, however, sections three through twelve of this act shall take effect on January 1, 1991, and section 1013 of the racing, pari-mutuel wagering and breeding law, as added by section thirty-eight of this act, shall expire and be deemed repealed on July 1, [2016] 2017; and section eighteen of this act shall take effect on July 1, 2008 and sections fifty-one and fifty-two of this act shall take effect as of the same date as chapter 772 of the laws of 1989 took effect.

S 9. Paragraph (a) of subdivision 1 of section 238 of the racing, pari-mutuel wagering and breeding law, as amended by section 9 of part NN of chapter 59 of the laws of 2015, is amended to read as follows:

(a) The franchised corporation authorized under this chapter to conduct pari-mutuel betting at a race meeting or races run thereat shall distribute all sums deposited in any pari-mutuel pool to the holders of winning tickets therein, provided such tickets be presented for payment before April first of the year following the year of their purchase, less an amount which shall be established and retained by such franchised corporation of between twelve to seventeen per centum of the total deposits in pools resulting from on-track regular bets, and fourteen to twenty-one per centum of the total deposits in pools resulting from on-track multiple bets and fifteen to twenty-five per centum of the

total deposits in pools resulting from on-track exotic bets and fifteen to thirty-six per centum of the total deposits in pools resulting from on-track super exotic bets, plus the breaks. The retention rate to be established is subject to the prior approval of the gaming commission. Such rate may not be changed more than once per calendar quarter to be effective on the first day of the calendar quarter. "Exotic bets" and "multiple bets" shall have the meanings set forth in section five hundred nineteen of this chapter. "Super exotic bets" shall have the meaning set forth in section three hundred one of this chapter. For purposes of this section, a "pick six bet" shall mean a single bet or wager on the outcomes of six races. The breaks are hereby defined as the odd cents over any multiple of five for payoffs greater than one dollar five cents but less than five dollars, over any multiple of ten for payoffs greater than five dollars but less than twenty-five dollars, over any multiple of twenty-five for payoffs greater than twenty-five dollars but less than two hundred fifty dollars, or over any multiple of fifty for payoffs over two hundred fifty dollars. Out of the amount so retained there shall be paid by such franchised corporation to the commissioner of taxation and finance, as a reasonable tax by the state for the privilege of conducting pari-mutuel betting on the races run at the race meetings held by such franchised corporation, the following percentages of the total pool for regular and multiple bets five per centum of regular bets and four per centum of multiple bets plus twenty per centum of the breaks; for exotic wagers seven and one-half per centum plus twenty per centum of the breaks, and for super exotic bets seven and one-half per centum plus fifty per centum of the breaks. For the period June first, nineteen hundred ninety-five through September ninth, nineteen hundred ninety-nine, such tax on regular wagers shall be three per centum and such tax on multiple wagers shall be two and one-half per centum, plus twenty per centum of the breaks. For the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such tax on all wagers shall be two and six-tenths per centum and for the period April first, two thousand one through December thirty-first, two thousand [sixteen] SEVENTEEN, such tax on all wagers shall be one and six-tenths per centum, plus, in each such period, twenty per centum of the breaks. Payment to the New York state thoroughbred breeding and development fund by such franchised corporation shall be one-half of one per centum of total daily on-track pari-mutuel pools resulting from regular, multiple and exotic bets and three per centum of super exotic bets provided, however, that for the period September tenth, nineteen hundred ninety-nine through March thirty-first, two thousand one, such payment shall be six-tenths of one per centum of regular, multiple and exotic pools and for the period April first, two thousand one through December thirty-first, two thousand [sixteen] SEVENTEEN, such payment shall be seven-tenths of one per centum of such pools.

S 10. This act shall take effect immediately.

PART GG

Section 1. Clause (H) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as amended by section 1 of part MM of chapter 59 of the laws of 2015, is amended to read as follows:

(H) notwithstanding clauses (A), (B), (C), (D), (E), (F) and (G) of this subparagraph, the track operator of a vendor track shall be eligible for a vendor's capital award of up to four percent of the total

revenue wagered at the vendor track after payout for prizes pursuant to this chapter, which shall be used exclusively for capital project investments to improve the facilities of the vendor track which promote or encourage increased attendance at the video lottery gaming facility including, but not limited to hotels, other lodging facilities, entertainment facilities, retail facilities, dining facilities, events arenas, parking garages and other improvements that enhance facility amenities; provided that such capital investments shall be approved by the division, in consultation with the state racing and wagering board, and that such vendor track demonstrates that such capital expenditures will increase patronage at such vendor track's facilities and increase the amount of revenue generated to support state education programs. The annual amount of such vendor's capital awards that a vendor track shall be eligible to receive shall be limited to two million five hundred thousand dollars, except for Aqueduct racetrack, for which there shall be no vendor's capital awards. Except for tracks having less than one thousand one hundred video gaming machines, and except for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania border within New York, each track operator shall be required to co-invest an amount of capital expenditure equal to its cumulative vendor's capital award. For all tracks, except for Aqueduct racetrack, the amount of any vendor's capital award that is not used during any one year period may be carried over into subsequent years ending before April first, two thousand [sixteen] SEVENTEEN. Any amount attributable to a capital expenditure approved prior to April first, two thousand [sixteen]SEVENTEEN and completed before April first, two thousand [eighteen] NINETEEN; or approved prior to April first, two thousand [twenty] TWENTY-ONE and completed before April first, two thousand [twenty-two] TWENTY-THREE for a vendor track located west of State Route 14 from Sodus Point to the Pennsylvania border within New York, shall be eligible to receive the vendor's capital award. In the event that a vendor track's capital expenditures, approved by the division prior to April first, two thousand [sixteen] SEVENTEEN and completed prior to April first, two thousand [eighteen] NINETEEN, exceed the vendor track's cumulative capital award during the five year period ending April first, two thousand [sixteen] SEVENTEEN, the vendor shall continue to receive the capital award after April first, two thousand [sixteen] SEVENTEEN until such approved capital expenditures are paid to the vendor track subject to any required co-investment. In no event shall any vendor track that receives a vendor fee pursuant to clause (F) or (G) of this subparagraph be eligible for a vendor's capital award under this section. Any operator of a vendor track which has received a vendor's capital award, choosing to divest the capital improvement toward which the award was applied, prior to the full depreciation of the capital improvement in accordance with generally accepted accounting principles, shall reimburse the state in amounts equal to the total of any such awards. Any capital award not approved for a capital expenditure at a video lottery gaming facility by April first, two thousand [sixteen] SEVENTEEN shall be deposited into the state lottery fund for education aid; and

S 2. This act shall take effect immediately.

PART HH

Section 1. Paragraph b of subdivision 3 of section 97-nnnn of the state finance law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

b. ten percent of the moneys in such fund, AS ATTRIBUTABLE TO A SPECIFIC LICENSED GAMING FACILITY, shall be appropriated or transferred from the commercial gaming revenue fund equally between the host municipality and host county OF SUCH FACILITY.

S 2. Clause (G) of subparagraph (ii) of paragraph 1 of subdivision b of section 1612 of the tax law, as added by chapter 174 of the laws of 2013, is amended to read as follows:

(G) Notwithstanding any provision to the contrary, when a vendor track is located within regions one, two, or five of development zone two as defined by section thirteen hundred ten of the racing, pari-mutuel wagering and breeding law, such vendor track shall receive an additional commission at a rate equal to the percentage of revenue wagered at the vendor track after payout for prizes pursuant to this chapter, WHICH PERCENTAGE SHALL BE ONE HUNDRED, less [ten percent] THE SUM OF THE PERCENTAGES OF NET REVENUE WAGERED AT THE VENDOR TRACK retained by the commission for operation, administration, and procurement purposes; and [payment of] the vendor's fee, marketing allowance[,] and capital award paid TO THE VENDOR TRACK pursuant to this chapter; and the effective tax rate paid on all gross gaming revenue paid by a gaming facility within the same region pursuant to section thirteen hundred fifty-one of the racing, pari-mutuel wagering and breeding law, PROVIDED, HOWEVER, SUCH ADDITIONAL COMMISSION SHALL BE APPLIED TO REVENUE WAGERED AT THE VENDOR TRACK AFTER PAYOUT FOR PRIZES ONLY WHILE A GAMING FACILITY IN THE SAME REGION IS OPEN AND OPERATIONAL PURSUANT TO AN OPERATION CERTIFICATE ISSUED PURSUANT TO SECTION THIRTEEN HUNDRED THIRTY-ONE OF THE RACING, PARI-MUTUEL WAGERING AND BREEDING LAW. The additional commission SET FORTH IN THIS CLAUSE shall be paid to the vendor track within sixty days after the conclusion of the state fiscal year based on the calculated percentage during the previous fiscal year.

S 3. This act shall take effect immediately and shall be deemed to have been in full force and effect on and after January 1, 2014.

S 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

S 3. This act shall take effect immediately provided, however, that the applicable effective date of Parts A through HH of this act shall be as specifically set forth in the last section of such Parts.